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Letter dated 3 June 2003 from the Permanent Observer of the League of Arab States to the United Nations addressed to the President of the Security Council

Pursuant to Article 54 of the Charter of the United Nations, I have the honour to transmit to you herewith the Arab Report on Possibilities for Support and Assistance to Iraq prepared by the League of Arab States and its specialized organizations, to elucidate the role that might be undertaken to support and assist Iraq.

I should be grateful if you would draw the attention of the members of the Security Council to the annexed report and have this letter and its annex circulated as a document of the Security Council.

(Signed) Yahya A. **Mahmassani**
Ambassador
Head of Mission
New York

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Annex to the letter dated 3 June 2003 from the Permanent Observer of the League of Arab States to the United Nations addressed to the President of the Security Council

Arab report on possibilities for support and assistance to Iraq

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Introduction

The League of Arab States and its specialized organizations have prepared the annexed report in an effort to elucidate the role that it and they might play in supporting and assisting Iraq, with a view to submitting the report in question to the United Nations and the Iraqi Government or Administration as soon as one is established. The report comprises two parts. Part I is concerned with the adverse impacts of the war on Iraq and some of Iraq's requirements for the immediate future. This part has been prepared by the League of Arab States on the basis of data gathered from reports by Arab and international organizations, statements by eyewitnesses and media accounts which have been collated to provide an assessment of the damage sustained by Iraq, the steadily deteriorating situation and the need for intervention without delay. Part II contains the views of various Arab specialized organizations on possible approaches to contributing to international efforts to provide Iraq with support and assistance.

It should be noted that some of the reports prepared by these organizations refer to contracts and agreements concluded with the former Iraqi Government. All such contracts and agreements, of course, should be dealt with in accordance with international law and custom as these apply in various situations.

It is our hope that the international community will be able to create a climate conducive to an early end to the foreign occupation of Iraq and the formation of an effective Government that will ensure security and stability in the country in a context of democracy and openness. Only thus will it be feasible to attract Iraqi, Arab and foreign private investment in various sectors, and hence to enable the Iraqi people to attain the growth, development and prosperity to which it aspires.

The Secretariat of the League of Arab States has embarked on this effort because it desires to provide the fraternal Iraqi people with support and assistance, in co-ordination and co-operation with other international and regional organizations, most notably the United Nations and its specialized agencies.

It is worth recalling that Security Council resolution 1483 (2003) on Iraq calls, in paragraph 26, on Member States and international and regional organizations to contribute to the implementation of the resolution in question.

Amre **Moussa**
Secretary-General of the League of Arab States

Part I :

Adverse impacts of the war on Iraq and some of Iraq's requirements for the immediate future

1. Financial and banking

As a result of the first and second Gulf wars and the economic sanctions that followed, Iraq's economic and banking sector has been severely crippled. Since 1991, the country's gross domestic product (GDP) has regressed, and the financial sector, which was formerly one of the most modern that the States of the region had to show, grew weaker throughout the 1990s. The country came increasingly to rely on printing and issuing more Iraqi dinars to pay workers' wages and salaries, while at the same time such foreign currency as there had been in the market was withdrawn. The rate of exchange plummeted from three Iraqi dinars to the dollar to 2800, inflation surged to 60 per cent, and unemployment reached 50 per cent.

The banking sector in Iraq comprises the Central Bank, the Agricultural Bank, the Industrial Bank, the Real Estate Bank and the Tigris and Euphrates Bank, which is the leading public-sector commercial bank. In 1990, private banks were allowed to operate, but their share of banking operations was restricted to 6 per cent of all deposits and 21 per cent of all loans.

We may note here that this sector will be affected by the policies that are adopted in the areas of oil revenues and the settlement of Iraq's debts. The rate of exchange is subject to a host of factors in a State policy which is still unclear.

In this context, both the Union of Arab Banks and the Arab Academy for Banking and Financial Sciences have made it clear that they are prepared to provide scientific and technical assistance in an effort to strengthen and reinforce the financial and banking sector in Iraq, as will be seen from their respective reports.

Details will be found in:

Document No. 1/3 – May 2003, Report by the Union of Arab Banks

Document No. 2/3 – May 2003. Report by the Arab Academy for Banking and Financial Sciences

2. Culture and education

The history of civilization in Iraq and the country's treasures extend back over a period of more than 7000 years. The kingdoms of Mesopotamia were the birthplace of writing and the recording of history, and they were the scene of progress in various sciences, medicine and mathematics. Seldom do we read a learned work on the history of science and knowledge or the origins of civilization without finding that the ancient inhabitants of Iraq figure prominently in its pages. Iraq's museums, notably the Baghdad Museum and the Mosul Museum, possess over 200 000 archaeological items. Both of these museums are regarded as world-class institutions. The National Museum, for its part, with its collections dating from remote antiquity and the early Islamic period, has long been a leading source of information for scholars and reviewers. The archaeological collections in the

Baghdad Museum bear witness to the successive civilizations that flourished in Mesopotamia.

In addition, the archives of the National Library contain a wealth of rare historical volumes and Arabic and Islamic manuscripts. The same is true of the Library of the Koranic Sciences at the Ministry of Religious Endowment and the Saddam Manuscript Centre.

These historic treasures and invaluable cultural artefacts were subjected to organized theft and looting during the fall of Mosul and Baghdad. Many ancient manuscripts and copies of the Koran dating from the earliest days of the Islamic era were lost, and some of them quickly found their way into the world market for works of art.

UNESCO had provided the United States with a map showing all the country's archaeological sites, and the United States had promised to protect them. There have also been international efforts under the auspices of UNESCO, which has organized a number of meetings devoted to the effort to recover stolen items, and a work plan has been prepared for that purpose. In addition, UNESCO has established a Special Fund for the Iraqi Cultural Heritage, to which Italy has made an initial contribution of $400 000 and has promised an additional $600 000, while a number of institutions and other countries (including France, Germany, the United Kingdom, Egypt and Qatar) have also indicated that they are prepared to contribute to the Fund.

In the context of the reconstruction of Iraq, the Arab Educational, Cultural and Scientific Organization (ALECSO), one of the specialized organizations of the League of Arab States (of which Iraq is a member), is prepared to support and strengthen the cultural and educational sector in Iraq by means of the following measures:

1. Culture and communications:

- ALECSO will continue to play its role by preparing an inventory of stolen Iraqi heritage items and enumerating ways of retrieving and rehabilitating them; it will also publish a book on the looted heritage of Iraq.
- ALECSO will urge the occupation authorities to take all necessary measures to put an end to the looting of Iraq's cultural heritage.
- ALECSO will investigate the facts as regards acts of looting and arson with a view to determining responsibility, and will ask the international community to arrest and try anyone who appears to have committed such acts.
- ALECSO will ask fraternal Arab and other countries to contribute materially and technically to rehabilitation and restoration operations aimed at preserving Iraq's archaeological monuments.

2. Education and science:

ALECSO will work in co-ordination with related organizations (such as UNESCO, ISESCO and the Arab Office of Education for the Gulf States) to develop co-operation mechanisms aimed at enabling educational institutions in Iraq to function normally. ALECSO has already taken various measures to this end.

Details will be found in:

Document No. 3/3 – May 2003, Report by the Arab Educational, Cultural and Scientific Organization

3. Health and environment

Iraq's health and environment sector has been severely damaged as a result of acts of theft and looting. The International Atomic Energy Agency (IAEA) has indicated that it fears that radioactive material stolen from nuclear equipment may be used to make "dirty" bombs that would be capable of contaminating extensive areas. IAEA has also asked the United States to allow its inspection team to ascertain whether any radioactive equipment has been stolen. In 1998, before the departure of the inspectors, IAEA destroyed or removed quantities of enriched uranium and fissile materials that might have been usable for the purpose of making nuclear bombs, but it was dismayed to find that substantial quantities of radioactive sources might have been looted. The Agency has provided the United States with a list of radioactive sources, indicating their locations.

There is also a serious risk from remnants of dangerous chemicals, which constitute a potential catastrophe for Iraq, possibly causing thousands of deaths in the short or long term, in the area around Baghdad and elsewhere in the country. A senior official with the Government-owned Central Refinery Corporation stated that the Government's storage facility, near the Abu Ghraib prison in the Khan Dari district, consisting of ten covered warehouses and ten more open-air enclosures, each with 5000 square metres of floor space, and containing the country's strategic stocks of imported chemicals, had been subjected to acts of looting and organized theft, and had been set on fire on occasion as well. This facility contained 130 tonnes of materials so toxic that they can be handled only by persons wearing special high-performance protective clothing, and even then, the members of a team that handles materials of this kind on a regular basis must be checked periodically to make sure that their health has not been affected.

These chemicals were discarded by looters, who tipped them out, unaware of their value or toxicity, in order to obtain the drums in which they had been kept; presumably the drums in question have subsequently been used to store water or other things. The result is that thousands of tonnes of powerful, dangerous chemicals have been dumped and mixed together, forming lakes and canals on the surface of the ground that contain extremely dangerous compounds which interact daily with the heat of the sun, giving off poisonous vapours that are carried in all directions by wind action. The whole area gives off a pervasive stink of chemicals and toxic vapours which the prevailing northwesterly winds of Iraq carry to great distances. Furthermore, fires have been set on occasion, producing toxic chemical residues that have settled in the vicinity of the storage facility. As a rule, toxic compounds of this kind can be broken down only by burning in special high-temperature incinerators.

Another hazard that must not be overlooked is chemical-laden rain and the percolation of chemical compounds into ground water and thence into streams that carry them far away. No one knows where these toxic chemicals ultimately end up, or to what extent they are getting into drinking water or irrigation water, contaminating crops, livestock and people. The result is a substantial multiplier effect, generating health problems that will be very difficult to deal with.

The coalition forces themselves have transported contaminated waste, consisting of *matériel* left over from the war, notably parts of weapons containing radioactive depleted uranium, from Baghdad International Airport to that same site.

In addition, it is obvious that Iraq's arable land and watercourses, notably the Tigris and the Euphrates, are being contaminated by toxic materials (such as depleted uranium) originating from live ammunition. Moreover, the present lack of sanitation and contamination of drinking water are affecting public health: the World Health Organization has reported an outbreak of cholera in southern Iraq.

This distressing situation is likely to have tragic results in the future, giving rise to outbreaks of disease that will be very difficult to deal with.

In the context of the reconstruction of Iraq, the Arab Atomic Energy Agency (AAEA), one of the Arab specialized organizations belonging to the League of Arab States (of which Iraq is a member) is prepared to take the following measures:

1. Protection of public health and the environment:

AAEA will identify radioactive contamination in the environment (soil, water and air) and will determine its causes in preparation for their elimination, and will identify sites that formerly contained radioactive materials with a view to determining what has become of those materials and investigating the extent to which the sites in question are contaminated. The Agency will also investigate the effects of the use of depleted uranium (which is used in weapons and armoured vehicles) on human beings.

2. Radiation precautions and nuclear safety

3. Peaceful applications of atomic energy

Details will be found in:

Document No. 4/3 – May 2003, Report by the Arab Atomic Energy Agency

4. Agriculture

A. Agricultural resources

The infrastructure and facilities of both the agricultural sector and the water sector have been extensively destroyed, partially or entirely, in all parts of Iraq as a result of military action and the consequent contamination of the country's water and soil. Furthermore, both the country's crop production and its livestock production were adversely affected by the years of economic sanctions to which Iraq was subjected. In the absence of modern agricultural technology and equipment, the institutions concerned with agricultural development, the environment and water management have collapsed, while agricultural development plans have come to a halt and the country's water resources are being mismanaged. Information and documents relating to inventories of Iraq's natural resources, both land and water, have been lost, as have land-use planning maps; equipment, computer software and documentation have all been lost, especially those formerly used by research establishments and agricultural extension centres and laboratories.

Iraq's arable land and vegetation cover have been extensively destroyed, and as a result of the contamination of the soil, the country's grazing land has been reduced in area, while its productivity has declined. Moreover, the traditional

varieties of crop plants, which had been the pride of Iraq for centuries, have now been lost; some varieties, which are thought to have originated in Iraq, are now extinct. Extensive new areas have been added to those regions which had become desertified because of drought. In addition, soil conservation programmes have been brought to a standstill, while the necessary fertilizers and technology are no longer available, owing to the economic sanctions, which made it impossible to import the technology and equipment required for the agriculture sector, such as the equipment needed to maintain fertilizer plants and farm machinery plants, or the inputs required for soil conservation. Desertification is spreading rapidly, and the cost of dealing with it is immensely greater than the cost of soil conservation would have been. Furthermore, military action has led to the destruction and contamination of extensive areas planted with fruit trees. Iraq is renowned for its fruit production, thanks to its varied climate, which makes it feasible to cultivate fruit trees of many kinds.

B. Water resources

Military action has resulted in the destruction of most of Iraq's water management institutions, notably the Ministry of Irrigation, and the loss of data on the country's water. Military action also resulted in chemical contamination of sources of both drinking water and irrigation water, including the Tigris, the Euphrates and the Shatt al-Arab. Specialized firms possessing a high level of technical capability must now be brought in to deal with this situation, and the cost of making the country's water fit to drink or fit for agricultural use will inevitably be very high.

It is essential to construct a new, highly developed database on the country's water resources, using the most up-to-date systems. Such a database will make an invaluable contribution to the gathering, storage, management and application of water-related information, and will be an indispensable tool for research on preserving Iraq's water resources, avoiding waste and contamination, and meeting the growing demand for water for drinking, agriculture and industry, especially for purposes of the urgent reconstruction effort that must be undertaken in the immediate future.

C. Livestock resources

The war did not spare institutions concerned with Iraq's livestock resources, such as the National Research Centre and the Colleges of Agriculture and Veterinary Medicine in various parts of the country. Furthermore, animal disease treatment and prevention programmes have been brought to a halt, and the fact that vaccines and medicines are not available must inevitably lead to outbreaks of disease and epizootics among Iraq's livestock, as is only to be expected under the current circumstances. Some of these diseases may spread to the country's human population as well. Nor will such outbreaks necessarily be confined to Iraq: they may also threaten neighbouring Arab and non-Arab countries. Animal diseases against which immediate preventive measures are essential include foot-and-mouth disease, sheep pox, goat pox, small ruminant pest, rhinitis, infectious bovine tracheitis, rinderpest, brucellosis, tuberculosis, anthrax and others.

In the absence of control programmes, it is quite possible that insect pests will become a serious problem, notably the Hessian fly in the case of grain crops such as wheat and barley, and the date palm dubas and the red palm weevil in the case of

date palms. Some of these pests can be controlled only by aerial spraying with insectides.

In the context of assistance to Iraq in this area, the Arab Centre for Studies on Arid Regions and Dry Lands, which is a recognized Arab centre of expertise in the field of water management, desertification control and agricultural resource management and is consulted by Arab States and organizations, European countries and regional and international institutions, has indicated that it is prepared to rehabilitate the agriculture sector in Iraq by treating degraded lands and restoring the vegetation cover, applying appropriate desertification control techniques, remote sensing techniques and geographic information systems, and developing methods for the management and utilization of hydrographic basins by preparing programmes for specific experimental sites located in semi-arid regions of Iraq.

The Centre has also mentioned the possibility of co-operating with national and local institutions and with ordinary Iraqis to rehabilitate and modernize the country's agriculture sector by all possible means, by way of helping Iraq and supporting its economy during the future development phase. The agriculture sector accounts for a significant share of Iraq's GDP. The Centre has prepared ten projects with a bearing on the country's various agricultural resources; these projects are described in the Centre's report.

Details will be found in:

Document No. 5/3 – May 2003, Report by the Arab Centre for Studies on Arid Regions and Dry Lands

In the context of the reconstruction of Iraq, the Arab Organization for Agricultural Development, one of the Arab specialized organizations belonging to the League of Arab States and a recognized Arab centre of expertise consulted by Arab States and organizations and regional and international organizations, is prepared to support and strengthen the agriculture and water resource sector in Iraq by mitigating hazards causing epizootic diseases among the country's livestock through the following measures:

- Mitigation of loss or damage to crops caused by disease
- Protection of stored equipment and products that are essential to production from loss or damage
- Action to combat environmental contamination, including contamination of the water, soil and air of Iraq
- Action to protect standing grain crops from damage or loss.

Details will be found in:

Document No. 6/3 – May 2003, Report by the Arab Organization for Agricultural Development

5. Petroleum

Iraq's reserves of petroleum are second only to those of Saudi Arabia. Before 1990, Iraq produced approximately 3.5 million barrels of oil per day. After the first Gulf War, the country exported no oil at all until 1996, when the oil-for-food programme came into effect. Under that programme, earnings from oil exports were

used to meet the basic human needs of the Iraqi people under United Nations supervision. Before the war, the productive capacity of the Iraqi oil fields was 2.6 million barrels per day, of which Iraq itself consumed 500 000 barrels per day. Earnings from oil exports are the largest single item in the country's GDP.

The petroleum sector suffered much less than other sectors from military action during the war and from looting, theft and vandalism after it. No more than ten oil wells were set on fire, out of thousands in the country. Most oil production facilities were not bombed or otherwise destroyed, and as a result it will be a comparatively simple matter to reactivate this important sector.

We may note at this point that some of the country's sensitive production and refining facilities are urgently in need of modernization and upgrading as a result of damage sustained from bombing in 1990, combined with the fact that since that time, maintenance programmes and spare parts have not been available.

In this context, the Organization of Arab Petroleum Exporting Countries (OAPEC), of which Iraq has been a member since 1972, is prepared to support and strengthen the Iraqi petroleum sector through the following measures:

OAPEC will exercise its activity through a number of affiliate companies: the Arab Marine Petroleum Transport Corporation in Kuwait, the Arab Shipbuilding and Repair Corporation in Bahrain, the Arab Petroleum Investment Corporation in Saudi Arabia (to finance petroleum-related projects and industrial facilities), the Arab Petroleum Services Corporation in Libya (Iraq will participate in all these companies, of course), and the Arab Geophysical Exploration Services Corporation in Libya. In addition, OAPEC has established the Arab Petroleum Training Institute in Iraq, which will be able to help prepare executives, technicians and managers for the industry.

Details will be found in:

Document No. 7/3 – May 2003, Report by the Organization of Arab Petroleum Exporting Countries

6. Industry

The industrial sector is a long-established feature of Iraq's economy, and it accounts for a significant fraction of the country's GDP on a sector-by-sector basis. In the course of the war, most industrial plant and facilities were destroyed or heavily damaged, while those that were spared by the hostilities have been idle for a long time as a result of more than 12 years of sanctions: during the whole of that time, it was impossible to obtain the spare parts, components or other basic items that would have been needed to keep the plants running. Another factor has been the lack of trained, qualified managers and technicians and the low level of labour force skills, as many skilled workers and competent scientists have left the country.

Iraq's industrial and mining sector must be rebuilt and supported with state-of-the-art technologies that will enable it to meet the country's domestic needs; at the same time, the national economic structure must be strengthened. This twofold task will call for industrial surveys to determine the present condition of Iraq's industry, inasmuch as no such survey has been conducted for many years. In addition, it will be necessary to build up the country's technical and industrial consulting expertise in the areas of both production and management, and also to solve existing

problems. Training courses, scientific seminars and qualitative skill-building programmes in specific fields will also be required in order to familiarize the industrial sector work force with the latest technological developments. Moreover, exchanges of expertise between Iraq and the outside world will be essential.

In this context, the Arab Industrial Development and Mining Organization, an Arab specialized organization that is a recognized Arab centre of expertise consulted by Arab, regional and international organizations operating in the field of industry and mining, is prepared to implement 12 projects designed to support and strengthen the industrial sector in Iraq.

Details will be found in:

Document No. 8/3 – May 2003, Report by the Arab Industrial Development and Mining Organization

7. Labour and the workforce

The labour sector, with its institutions and cadres, has long been a powerful phenomenon in Iraq. The country's workers possess knowledge and technical and scientific expertise, and most of them are educated, with technical qualifications.

Iraq is distinguished by the fact that in its development process, it has concentrated on human resource training in various fields. During the years of sanctions, however, skilled personnel and scientific and vocational institutions existed in isolation from the outside world. Many of the country's most skilled and competent workers left the country, taking their technical expertise with them. Furthermore, unemployment was prevalent, and labour force data and indicators were not available. Then came the war, and State institutions and facilities were vandalized and subjected to looting and theft; labour-related institutions and training centres were destroyed, managerial personnel were scattered, basic systems and records were lost, and labour organizations were disrupted.

In the context of the reconstruction of Iraq, the Arab Labour Organization, one of the specialized organizations of the League of Arab States, is prepared to support and strengthen the labour and work force sector and training centres in Iraq by means of the following measures:

A. Vocational training institutes

Iraq possesses five centres offering training for job seekers and worker skills development, including two in Baghdad. These centres were 75 per cent destroyed during the war, together with most of their documentation, equipment and facilities.

The task of rehabilitating these training centres—which are of particularly crucial importance at the present time—will require funding for the purchase of training facilities and equipment and the acquisition of new, state-of-the-art tools and instruments that will meet the country's growing needs. The Arab Labour Organization is prepared to make a direct grant of $200 000 available to each of the five training centres as its contribution to the task of helping them become temporarily functional. These grants are to be regarded as expenditures for basic maintenance and for the repair of damaged equipment and the replacement of destroyed equipment.

B. Training institutes for disabled persons

Iraq possesses 24 institutes for deaf and dumb persons, blind persons, and physically and mentally disabled persons. In the course of the war, most of these were destroyed, together with their equipment and facilities. The task of rehabilitating these institutes and enabling them to fulfil their humanitarian mission is one that calls for immediate support in the amount of approximately $100 000 for each institute. The war also created substantial needs for their services, as many persons were disabled as a result of the use of internationally prohibited types of ammunition and bombs.

C. Addressing the issue of unemployment

The Organization suggests the establishment of an information and data centre to monitor unemployment and define labour market indicators, needs and organization. Job-seekers could be given information or steered to a training institute that would provide them with the skills they needed to take advantage of whatever job openings were available. The establishment of such a centre would require support in the amount of $250 000.

In addition, it will be essential to provide assistance for each of the social partners in Iraq, including the Labour Directorate, businessmen's organizations and workers' organizations. This task will involve providing documentation relating to Arab and international labour standards and Arab and international systems for organizing the work of such organizations, the establishment of archives for those whose archives were destroyed in the war, together with their computers, and training, including the organization of training programmes and courses in labour management, trade union organization and legislation development. Direct start-up assistance for centres and institutes belonging to the Arab Labour Organization will require an amount of $250 000.

Details will be found in:

Document No. 9/3 – May 2003, Report by the Arab Labour Organization

8. Organization and administration

Under the international regime of sanctions against Iraq, the organization and administration sector remained in a state of withdrawal and isolation from the outside world, and as such knew nothing of the use of state-of-the-art digital technology in administrative operations. Iraq's present situation calls for a united front in endeavouring to provide the country with technical support and assistance.

In the context of the reconstruction of Iraq, the Arab Administrative Development Organization (ARADO), one of the Arab specialized organizations belonging to the League of Arab States and a recognized Arab centre of expertise in the implementation of excellent administrative systems and their conversion to digital operation with a view to the enhanced effectiveness of Arab administration as a means to administrative, social and data technology development in the Arab world, is prepared to support, strengthen and reinforce the administrative structure in Iraq by means of an integrated administrative development plan comprising the actions listed below:

1. Action to build the post-war administrative structure;

2. Action to activate local government;

3. Identification of training needs/integrated training plan;

4. Preparation of a guide to Iraqi skills and areas of competence with a view to its use in reconstruction programmes;

5. An emergency training programme (in the context of this programme, ARADO will organize intensive seminars on crisis management, activation of civil society institutions, enhancement of the quality of Government services economically, and the like);

6. Provision of consulting services;

7. A vocational certificate and qualification programme in finance and accounting;

8. Library rehabilitation and development;

9. An implementation mechanism for Iraq's administrative reconstruction programme.

Details will be found in:

Document No. 10/3 – May 2003, Report by the Arab Administrative Development Organization

9. Business and investment

Affecting all Iraq's economic and social sectors as it did, the war put an end to activity in all the basic administrative structures and institutions around which people's lives are articulated, including in particular the normal functioning of the Iraqi economy and the free play of market forces. This situation calls for planning operations and, as economic and social development get under way, it will be important to promote investment projects. In this context, the organizations listed below have agreed to support and strengthen the Iraqi economy to the utmost of their abilities:

Document No. 11/3 – May 2003, Report by the Council of Arab Economic Unity

Document No. 12/3 – May 2003, Report by the General Union of Chambers of Commerce, Industry and Agriculture for Arab Countries

Document No. 13/3 – May 2003, Report by the Union of Arab Investors

10. Other services

A. The civil aviation sector

Iraq's civil aviation sector was paralysed during the whole of the period of the international sanctions regime. In addition, the country's air transport institutions and facilities were largely destroyed during the recent campaign, and are now in need of reconstruction and maintenance.

In this context, the Arab Civil Aviation Commission, one of the Arab specialized organizations belonging to the League of Arab States, has indicated that it is prepared to support and strengthen the civil aviation sector in Iraq by

establishing a task force to evaluate the current situation of the basic environment in that sector, identify its component parts and determine its needs, providing technical assistance with respect to the retraining and rehabilitation of senior technical and administrative personnel, and giving them priority with respect to access to the resources of Arab and international institutes, schools and academies. Details are given in the Commission's report.

Details will be found in:

Document No. 14/3 – May 2003, Report by the Arab Civil Aviation Commission

B. The media sector

The media have an important role to play in the development of Iraq, both at the present time and in the immediate future. Iraq's media institutions and facilities were totally destroyed in the war, and before that the sanctions regime had prevented them from acquiring modern technology and equipment. The rehabilitation of this sector will be very costly, as it will have to be supplied with state-of-the-art facilities and equipment.

In this context, the Arab States Broadcasting Union (ASBU), one of the Arab specialized organizations belonging to the League of Arab States, is prepared to support and strengthen the media sector in Iraq in terms of programming by setting up a system of exchanges with the Radio and Television Establishment in the areas of news, general programming and sports. As regards radio and television training, the ASBU will organize training courses and activities for Iraqi radio and television personnel. In the area of engineering, the ASBU will provide essential data on state-of-the-art equipment which would enable Iraqi Television to operate and receive all recorded and live programmes.

Details will be found in:

Document No. 15/3 – May 2003, Report by the Arab States Broadcasting Union

C. The insurance sector

The insurance sector is a long-established feature of the Iraqi economy, and boasts numerous experts in all areas of the insurance field. The sanctions regime had an adverse impact on the insurance sector, especially reinsurance activities, because of the country's economic isolation, with the result that Iraqi insurance companies had to operate on a local basis exclusively.

In this context, the Arab General Insurance Union, an Arab specialized organization, is prepared to support and strengthen the insurance sector in Iraq by restructuring and reorganizing the insurance market in Iraq, drawing for that purpose on the services of Arab experts in the field, and supplying the technical and administrative personnel that that market needs. It will also modernize insurance products in the Iraqi market, and will provide training opportunities for Iraqis in the field of insurance and reinsurance, drawing for that purpose on Arab reinsurance capabilities.

Details will be found in:

Document No. 16/3 – May 2003, Report by the Arab General Insurance Union

Part II :

Reports and suggestions by Arab specialized organizations on contributing to the task of providing support and assistance for Iraq

Report by the Union of Arab Banks

Remarks by the Union of Arab Banks on its prospective role in Iraq during the reconstruction period

For some time now, the Union of Arab Banks (UAB) has been preparing a programme of action concerning support for Iraq during the reconstruction period, specifically as regards the fields of activity in which the UAB operates. The UAB believes that it will be able to implement this programme, considering the banking and financial situation in terms of the Arab world as a whole and the UAB's strategic relations with the central banks and Arab financial sector institutions, as well as joint Arab-foreign banking institutions.

The following pages contain a summary of our views, as a union of banks, as to our role in the area of banking, finance and the economy during the reconstruction period.

I. Technical assistance

- Adoption by the UAB of a policy of raising banking awareness within the Iraqi banking sector, characterized by the organization of specialized banking seminars concentrating on documentary credits, banking technology, modern banking and new finance-related technology.
- Dispatch of Arab experts in the fields of banking and finance to Iraq for the purpose of providing technical, technological and research assistance for Iraqi bankers.
- Participation in the process of banking development in Iraq by providing senior Iraqi bankers with information and documentation on the development of the banking industry in the Arab countries and worldwide.
- Intensive communication and meetings with Iraqi leaders in the banking sector to consider their new needs and requirements in the immediate future.
- Co-operation with Iraqi banking and monetary authorities with a view to providing them with advice on financial and banking legislation and other prerequisites for attaining the goal of a reinvigorated banking sector in Iraq.
- Intensification of the UAB's role as regards providing Iraqi banks with technical and technological assistance, especially in the areas of international monetary working standards, advanced banking technology, and modern financial activities.
- Organization of a quick workshop, to be attended by Iraqi banking sector leaders, senior UAB officials and prominent specialists, to study and evaluate the general banking and economic situation in Iraq and formulate proposals for

ways of enabling the Iraqi banking sector to overcome its current difficulties and challenges and embark on a process of comprehensive, sustained vitality.

II. Research services

- Adoption of a policy of upgrading banking culture in the Iraqi banking environment by providing Iraqi bankers with scientific publications, including journals, books and studies.

- Action to help Iraqi researchers, bankers and students obtain all the scientific sources of information, research and studies that they need in order to enable them to use this material for purposes of research or study or simply in their day-to-day work.

- The UAB will provide many Iraqi banks and bankers with books on banking and finance, asking nothing in return, as it has consistently done to date, with a view to helping them build up a stock of works on banking and finance and enabling them keep abreast of new developments in the banking industry.

- The UAB will provide research, training and other services for token amounts or at no charge in many fields.

III. Support for openness to the Arab financial community

- Holding of seminars on Iraqi soil to which bankers from other Arab countries would be invited, with a view to enhancing the level of mutual awareness and intercommunication among Iraqi and other Arab bankers.

- Encouraging Arab bankers to visit Iraq and become aware of opportunities for doing business with their Iraqi counterparts, especially with respect to the development of commercial and financial trade among countries.

- Organized visits by official delegations from the UAB to Iraq for the purpose of meeting with banking officials there, considering their banking and financial needs and inviting them to participate in the UAB's activities and work, including in particular its international conferences, as the UAB hopes to forge bonds of mutual awareness and co-operation between Iraqi bankers and those from the other Arab States.

- Arab bankers will be urged and encouraged to establish and maintain contact with Iraqi bankers in order to crystallize and give effect to joint working formulas that will serve to broaden relations of trade, investment and financial operations between their respective countries.

IV. Participation in the task of enhancing Iraq's image and that of its banking sector

- Publication of a series of special issues of the *UAB Magazine* aimed at shedding light on the actual situation and the importance of current developments in the Iraqi banking sector and the country's economic climate in general, with a view to encouraging Iraqi banks and other Arab banks to work together.

- Organization of an international Arab banking conference in Iraq, aimed at encouraging investment and economic activity in Iraq, and with a view to

forging bonds of co-operation between the Iraqi banking sector and the banking sectors in other Arab States.

- Formation of a specialized working cell within the UAB Secretariat for the purpose of supporting and co-ordinating with the Iraqi Central Bank in tracking and investigating new economic and banking developments in Iraq and informing the Arab banking/economic community of those development.

V. Ensuring that Arab banks participate in the reconstruction of Iraq

- Urging and encouraging Arab banks to participate in the Iraq reconstruction process, and funding their development, investment and reconstruction projects.
- Endeavouring to promote joint funding initiatives involving two or more Arab banks for the financing of investment, development and reconstruction projects in Iraq.
- Encouraging joint Arab-foreign banks to undertake joint funding initiatives for reconstruction projects in Iraq.

Report by the Arab Academy for Banking and Financial Sciences

Proposal for the participation of the Arab Academy for Banking and Financial Sciences (AABFS) in the reconstruction of Iraq in co-operation with Arab specialized organizations that are members of the High Co-ordination Committee for Joint Arab Action

I. A general overview of the financial, banking and economic situation in Iraq, and the parameters of participation in the reconstruction of the country.

a. Iraq is currently afflicted with a very difficult situation owing to the absence of any national authority, the fact that no provisional Government has been formed, and the widespread destruction caused by the war, which has affected all economic sectors, including the financial and banking sector.

b. Iraq possesses substantial natural, human and financial resources such as few other Arab countries can match, and consequently it should be feasible to close the gap between its aspirations and its current situation by means of co-ordinated efforts on the part of Iraq itself, the Arab countries, the region and the international community aimed at rebuilding the country and raising it to the level that it deserves.

c. At present, Iraq is experiencing an uninterrupted series of international reconstruction-oriented initiatives. Some of these are being undertaken by American and British institutions and private firms within the political context imposed by the new situation, some by United Nations organizations, and some by States (and their institutions) that supported the war or remained uncommitted.

d. It is appropriate that the League of Arab States (LAS), the Arab umbrella organization, should play a pivotal role in this far-reaching regional and international effort that is being devoted to the reconstruction of Iraq. The LAS can

work to that end through its specialized organizations. Under the overarching mandate of the LAS, those agencies' contributions may take various forms:

1. The Arab specialized organizations themselves may contribute to the reconstruction effort in specific sectors and activities, in the context of a planned, co-ordinated effort under the auspices of the LAS Secretariat.

2. The Arab specialized organizations belonging to the LAS may co-operate with other international organizations such as the International Monetary Fund, the World Bank and so on, or with institutions operating in States that are concerned with the reconstruction of Iraq.

e. This Arab initiative, which has been adopted by the LAS Secretariat, faces a number of challenges:

1. To what extent are the States involved in the reconstruction of Iraq, and their institutions, prepared to co-operate with the organizations of the LAS, having regard to the existing political context?

2. Will it be feasible to mount a co-ordinated effort aimed at achieving the ends in view?

3. How will the effort be funded, especially during the initial phase, before resources expressly allocated for the purpose have become available?

4. What assurance is there that the effort will have any lasting effect or that funding will continue until such time as the reconstructed nation of Iraq and its national institutions have recovered and have been restored to their natural condition, in accordance with the aim of the initiative?

II. The role of the AABFS in training personnel in the financial and banking sector in particular and in the Iraqi economy in general

a. The financial and banking sector in Iraq comprises a variety of activities and institutions, of which some of the most important are:

1. The Central Bank

2. The Commercial Bank

3. Specialized banks

4. The Islamic banks

5. Insurance and reinsurance companies

6. Pension funds, the Social Solidarity Fund and the Iraqi External Development Fund

7. Financial and investment companies

8. The Ministry of Finance and the institutions belonging to it

9. Financial directorates and institutions (funds for the provision of postal service, management of minors' assets, and so on)

b. Training activities, which take the form of designing, implementing and following up sophisticated training programmes, rank among the most important

services provided by the AABFS in the area of human resource development in the financial and banking sector.

c. In its training programmes, the AABFS co-operates with some of the most renowned professional institutions in the world, including the American Bankers Association, the institute for public-private partnerships known as IP3 in Washington, VISA International, the Institute of Internal Auditors in Florida, ACI - the Financial Markets Association in Paris, and others. These links are useful to the AABFS in developing training programmes that are up to international standards. The Academy delivers joint programmes and awards joint certificates of professional qualification from individual or group programmes in co-operation with the above-mentioned institutions.

d. The financial and banking sector in Iraq has been extensively destroyed in the course of three successive wars since 1980, and, in particular, by the impact of over a decade of comprehensive sanctions, when Iraq was excluded from any share in the fruits of progress and innovation. Meanwhile, banks in other Arab States, comparatively speaking, and in other countries have evolved considerably and have made quantitative leaps, introducing and adapting to state-of-the-art technology.

e. The AABFS can undertake, as soon as circumstances permit, a comprehensive survey of the financial and banking sector in Iraq, with a view to identifying that sector's present and future needs in terms of training programmes and formulating a strategic plan to upgrade the skills of persons employed in it. This should be done at various organizational levels, in order to address the serious deterioration that currently characterizes the sector, in terms of knowledge, expertise and up-to-date skills.

f. The training programmes that the AABFS could deliver for the benefit of the financial and banking sector in Iraq would deal with the following areas:

1. Central banking operations and monetary policy
2. Bank commercial credit of various kinds
3. Special bank credit of various kinds
4. Islamic banking operations and financing formulas
5. Banking products and services
6. International banking operations
7. Foreign exchange management
8. Investments
9. Counterfeiting, fraud and money-laundering
10. Money markets
11. Accounting and auditing
12. Insurance and reinsurance
13. Public finance
14. Investment fund management
15. Data systems and technology

16. Human resource management

17. Management

18. Office management

19. Various other programmes tailored to Iraq's needs

g. The AABFS will remain in constant communication with international professional institutions, including in particular the American Bankers Association and the Institute of Certified Bankers, in an effort to have the sanctions on Iraq's banking profession lifted. This objective is specified in the AABFS's agreements with these institutions. The Academy hopes thereby to make Arab training programmes accessible to Iraqi participants and to make it feasible for contractual programmes to be offered within Iraqi banks and financial institutions, or at any rate some of them.

h. The AABFS can grant special conditions, privileges and rates to Iraqi participants in Arab training programmes. These would appear in the annual training plan. In addition, Baghdad would be included in the Annex to the annual training plan for 2003, so that some Arab training programmes could be delivered within Iraq in short order.

III. The role of the AABFS in providing education for personnel in the financial and banking sector in particular and in the Iraqi economy in general, and the acceptance of students at various levels.

a. The AABFS currently runs the College of Banking and Financial Sciences in Amman, which offers university-level courses, both undergraduate and postgraduate, in the following subjects:

1. BSc programmes in:

· Accounting

· Financial and banking management

· Information and computer systems

The College offers both programmes leading to certificates awarded by the AABFS and programmes in co-operation with the University of London, leading to certificates awarded by that university.

2. Advanced Certification and MSc programmes in:

· Banking

· Islamic banking

· Accounting

· Financial management

· Financial markets

· Information systems

3. PhD programmes in:

· Banking

· Islamic banking

· Accounting

· Financial management

· Information systems

b. The AABFS also has a College of Banking and Financial Sciences in Cairo, which offers postgraduate Advanced Certification and MBA courses in:

· Banking

· Financial markets

· Accounting

· Financial management

· Information systems

c. In addition, all the necessary basic measures have been taken to initiate advanced courses at other locations in September 2003. The locations in question are:

1. Damascus, in co-operation with the Ministry of Higher Education and the University of Damascus

2. Sana'a, in co-operation with the Ministry of Higher Education and the Saba Islamic Bank

3. Khartoum, in co-operation with the Khartoum Technical College and the Al-Imam Al-Mahdi University

d. Adopting a similar decentralized approach, the AABFS will be able to establish a College of Banking and Financial Sciences in Baghdad by stages. Examples might include the following:

1. Introduction of courses leading to Advanced Certification and the MSc degree

2. Introduction of courses leading to the BSc degree at a subsequent stage

3. Introduction of courses leading to the PhD degree at a subsequent stage

These courses could be introduced gradually, having regard to the higher education facilities available in Iraq and the country's ability to deliver the courses in question.

e. As soon as a national Government is established in Iraq, the AABFS will apply to the Ministry of Higher Education and Scientific Research for permission to establish the college discussed above, providing all necessary supporting documentation, and will ask a scientific institution, such as the University of Baghdad, to co-operate with it in the matter.

f. The AABFS will endeavour to open scientific sections successively, as required by the Iraqi market and as feasible.

g. The AABFS will set fees for its courses on the basis of students' ability to pay, taking the situation of the Iraqi currency into account.

IV. The role of the AABFS in providing professional consultancy services for Iraq's financial and banking sector

a. The AABFS provides quality consultancy services through its Banking and Financial Consultancy Centre. The consultancy process comprises three stages:

1. Initial survey

2. Signing of a contract and performance of the consulting mission, which is executed primarily by a task force with support from the beneficiary institution

3. Mission follow-up, strengthened by training programmes covering the proposed systems, processes and services.

b. The AABFS provides services in numerous fields, including the following:

1. Economic, financial, banking and monetary reform

2. Preparation of feasibility studies

3. Organization, reorganization and restructuring

4. Post descriptions, worker evaluation and service systems

5. Introduction and adaptation of technology and computer systems

6. Islamization

7. Converting banks to full-service operation

8. Opening bank branches

9. Design and application of data systems

10. Budget planning, implementation and follow-up

11. Financial accounting, cost accounting, management accounting

12. Privatization

13. Other consultancy services on demand

c. The AABFS can contribute effectively to reconstruction of Iraq's financial and banking sector by designing multilateral consultancy missions and concluding contracts for their implementation.

d. The AABFS has the potential to make a very substantial contribution, thanks to its co-operation with renowned consultancy institutions in various parts of the world, which provide it with expertise in the event that it should need unusual skills.

e. The consultancy services provided by the AABFS are distinguished by the fact that they draw on advanced Arab skills and expertise. Their professionals are thus able to understand the distinctive situation of Arab clients, speak Arabic, and are therefore able to read and take into consideration all documentation and supporting materials they require for the purposes of consultancy missions.

f. The AABFS is well placed to co-operate with international institutions, including those based in the United States, the United Kingdom and other countries

that are concerned with the reconstruction of Iraq in co-operation with Arab organizations operating under the aegis of the League of Arab States.

V. The role of the AABFS in scientific and other professional activities, in co-operation with Iraqi banks, institutions and individuals

a. The Financial and Banking Studies Council will allow Iraqi researchers to publish the findings of applied research on Iraq's problems.

b. Annual conferences and colloquiums will be organized in Baghdad, and we may also decide to hold our eleventh Annual Conference in Baghdad if circumstances permit. We may change the date of the Conference to some time early in 2004.

c. Iraqi financial managers and bankers will be allowed to become certified through the Institute of Certified Bankers in Washington, DC, with which the AABFS has contractual ties.

Report by the Arab Educational, Cultural and Scientific Organization

A report on the situation of cultural property and educational structures in Iraq as a result of the occupation and urgent action that is feasible in the present circumstances

This report comprises three parts:

I. Iraq's treasures and acts of looting and destruction: results and responsibility

II. Measures taken by the Arab Educational, Cultural and Scientific Organization (ALECSO) at the international level

III. Measures currently being planned by ALECSO

I. Iraq's treasures and acts of looting and destruction: results and responsibility

The history of Iraq's treasures - which are priceless - takes us back to the roots of modern civilization in the kingdoms of ancient Mesopotamia, which were the birthplace of writing, cities, legislation, mathematics, medicine and astronomy more than 7000 years ago. Ancient Mesopotamia was also where the father of the prophets, Abraham (peace be upon him), was born in the city of Ur of the Chaldees, which, along with a number of historical Iraqi cities, including Ashur, Babylon and Samarra, has been proposed for inclusion on the World Heritage List, following the inscription of the city of Hatra. Iraq also possesses ancient dwellings that rank among the world's oldest and most important remains of civilized settlements. The museums of Baghdad and Mosul are among the most renowned of all museums, containing as they do some of the most impressive artefacts that the first human civilizations produced. The National Library in Baghdad contains some of the world's most valuable books, manuscripts and archives. The same is true of the Library of the Koranic Sciences at the Ministry of Religious Endowment and the Saddam Manuscript Centre.

The looting to which these treasures were subjected during the period of anarchy that accompanied the fall of such Iraqi cities as Mosul and Baghdad may rightly be termed a catastrophe, no less than the destruction of the Library of Alexandria in the fifth century or the fall of Baghdad to the Mongol invaders in 1258. Many commentators have called these acts of looting a crime against humanity.

Reports indicate that less than 30 per cent of all Baghdad escaped the depredations of thieves. As a result, no fewer than 170 000 items were either looted or destroyed.

The fate that befell the National Museum also befell the Iraqi National Library, where tonnes of rare documents and manuscripts were burnt to ashes. The journalist Robert Fisk, who witnessed this crime and reported it to the world, thinks that the fire started when oil was spilled somewhere in the upper floors of the building, where the oldest documents were kept, from which point it spread throughout the building, destroying papers, films and microfiches.

It appears that the burning of the National Library in Baghdad destroyed all documents dating from the period of Iraq's relations with the Ottoman Caliphate, all Iraq's correspondence with the Sherif Hussein of Mecca before the great Arab revolution, and all records relating to the time of the Iraqi monarchy. The flames also destroyed the Library's modern archives and documents relating to the first Gulf War, 1980-1988.

The total loss cannot be estimated with any accuracy; we can only state that it happened. The same remark applies to the destruction of the Saddam Manuscript Centre, the Museum of the Koranic Sciences at the Ministry of Religious Endowment, and in Mosul, where vandals broke down one of the doors at the entrance to the archaeological museum, smashed windows, and took over the building for 12 hours, carrying off virtually everything of any value. The only things that were not stolen were large, heavy items that could not be transported. According to eyewitnesses, the thieves were unable to distinguish between priceless originals and copies, such as plaster statues. Two months earlier, when the war began, the museum's directors, fearing bombing raids, had packed up the items which they thought were most likely to be destroyed and sent them off for safekeeping to the Iraqi National Museum in Baghdad. In this way, nearly half the total collection ended up in the Iraqi capital. Staff members at the Baghdad Museum put many of these items in places where they considered that they would be safe. However, they fell prey to looters as well.

The items which are feared lost to thieves include some of the most outstanding cultural property that Iraq possessed. According to Dalya Alberge, Alan Hamilton and David Brown, writing in *The Times* of London, the list includes:

- Tablets on which the Code of Hammurabi was inscribed. This is regarded as the oldest code of law ever devised by mankind.

- Gold ornaments that once belonged to Assyrian queens who ruled some 2500 years BC.

- A stone statue of Dudu, a royal majordomo in the city of Lagash, which flourished in the third millennium BC (2600-2300 BC)

- Tablets containing the epic of Gilgamesh

- A tablet with mathematical inscriptions, dating from 1500 years before Pythagoras.

- A gold dagger dating from the third millennium BC.

- Two statues, of a man and a woman, which were venerated in Tell Asmar and date from approximately 2500 BC.

- Archaeological artefacts from the royal necropolis at Ur, including a harp decorated with a bull's head and a number of gold items, notably a royal crown, a dagger with its sheath and several cups dating back some 2500 years BC.

- A clay model of a chariot that was made in Mesopotamia some time between 1900 and 1600 BC.

- Dozens of marble statuettes between one inch and six inches in height from Tell al-Sawain, dating from the sixth millennium BC.

- Thousands of ivory carvings that were used as inlays in wooden furniture; the best-known of them is one that has been dubbed the "Mona Lisa of Nimrud".

- A bronze statue of Hercules dating from approximately 200 BC.

Large numbers, estimated at tens of thousands, of clay tablets bearing cuneiform inscriptions were destroyed.

What was known as the Saddam Manuscript Centre, founded in 1988, had assembled a large collection of manuscripts, including the manuscripts from the Iraqi Museum and others belonging to leading Iraqi learned families. The total ultimately amounted to over 40 000 manuscripts, including some that were unique, no other copies being known to exist. The collection also contained manuscripts of the Koran that were written by renowned calligraphers from various historical periods, including one manuscript with *Sura* 106 ("Quraysh") inscribed on a grain of rice. Iraqi researchers had undertaken the task of preparing an index of these manuscripts determining how many copies of them there were. It appears that the entire collection was subjected to the depredations of looters and thieves and the ravages of fire, and we do not know how many manuscripts have survived and how many have been lost forever.

The Director-General of UNESCO believes that the thieves had planned their operations, and had called in outside professionals to help them. Even at the National Library, the thieves went straight to the rarest books, maps and manuscripts, according to Dr. Maguire Gibson, an American scholar who is one of the world's leading experts on the archaeology of Iraq, "The operations were organized from outside. They were the work of organized gangs who knew what they were looking for." Dr. Donny George said on the BBC's Channel 4, "The looting at the National Museum was organized and meticulous in some respects."

Who was responsible?

The well-known British journalist, Robert Fisk, wrote in an article in *The Independent* (15 April 2003), "I raced to the offices of the occupying power, the US Marines' Civil Affairs Bureau. An officer shouted to a colleague that "this guy says some biblical [sic] library is on fire". I gave the map location, the precise name – in Arabic and English – I said the smoke could be seen from three miles away and it

would take only five minutes to drive there. Half an hour later, there wasn't an American at the scene."

According to Jeremy Plad, an expert in the history of ancient Mesopotamia, the events did not come as a surprise; looting had been expected. Scholars held a number of technical meetings with the invading forces to inform them of the situation with respect to the country's archaeology and explain to them that its treasures must be protected. Jabir Khalil Ibrahim, Director of Iraq's State Board of Antiquities, has stated that he approached the American military authorities and asked them to protect the Baghdad Museum, and that they promised to do so, but did not. American tanks were stationed at the entrance to the museum, but their presence did not prevent looting. The name "UNESCO" had been painted on the roofs of all museums before the war, thanks to the efforts of the above-mentioned American scholar, Dr. Maguire Gibson. This laudable initiative saved the buildings in question from being bombed, but it did not save them from looting, which was carried on to an almost unimaginable extent. According to Dr. Gibson, the American forces must be held responsible for what happened, especially in view of the fact that a few days before the outbreak of war, the Director-General of UNESCO, Mr. Matsuura, had drawn the attention of the United States Government to the importance of observing the provisions of the 1954 Hague Convention for the Protection of Cultural Property in the Event of Armed Conflict, and on the same occasion had submitted a list of Iraq's archaeological sites and museums, accompanied by an accurate map showing their locations.

As a result of all this, three cultural advisers to President George Bush—Martin Sullivan, Richard Lanier and Gary Vikar—resigned their White House posts in protest at the failure of the American forces to prevent the tragedy. Mr. Sullivan said that a number of American academics had sent a list of Iraqi museums and archaeological sites to the State Department.

The scale of the catastrophe has left archaeologists and historians, both in the West and in Iraq and the Arab countries, appalled and grief-stricken. The American Secretary of Defence, Donald Rumsfeld, for his part, has described the looting as "similar to the sort of thing that happens when the crowd gets out of hand after a football game." This sort of language from a senior American official raises the issue of responsibility for this crime, especially in view of the fact that neither the United States nor Great Britain is a signatory to the 1954 Hague Convention, and hence neither country is bound by its provisions. Mr. Rumsfeld's remarks also raise the question of who has been the primary beneficiary of the rape of Iraq's cultural heritage in these specific circumstances. Do these painful events serve to advance what is termed dialogue between civilizations, or do they rather, on the contrary, foster the concept of the "clash of civilizations" which some prominent American political thinkers have been assiduously promoting?

A number of the stolen items appear to have found their way to Paris and others to the United States, while some have been intercepted at the borders of Iraq and Kuwait. In contrast, there have been reports that an unknown man quietly placed a number of priceless manuscripts and parchments in a mosque somewhere, that a second man did the same with a dozen or so archaeological items, including a broken statue of an Assyrian king from the ninth century BC and a bronze plaque with images of water buffaloes on it that is one of the world's oldest known

artefacts, and that a third man similarly rescued over 50 archaeological items, including some vessels dating back more than 7000 years.

Interpol has now launched a world-wide search for Iraqi archaeological property, prosecuting anyone who is caught buying or selling items and advising owners of private collections not to acquire any of them. However, Donny George, the head of the Research Department at the National Museum, says that more than three weeks after the looting took place, "anyone who is able to take anything and get it across the border is doing so... the haemorrhage of archaeological artefacts continues." The same remark was made at a recent meeting of museum curators in London, prompted by the fact that the American forces are unable to keep a close watch on Iraq's borders.

II. Measures taken by the Arab Educational, Cultural and Scientific Organization (ALECSO) at the international level

The entire world has reacted strongly to the seriousness of this event. Many observers have not merely condemned the looting and expressed solidarity with Iraq in words, but have sought to identify adequate solutions aimed at correcting the situation, or at any rate minimizing its impact.

Colin Powell, the United States Secretary of State, for example, has promised that the United States would play a "leading role" in protecting Iraq's archaeological artefacts, and would help repair the damage sustained by the National Museum. Furthermore, we have recently learned that the United States Administration has earmarked a sum of $2 million to make good on that promise. In addition, the Administration has recently sent 20 FBI experts to Baghdad to help with the task of retrieving archaeological artefacts and art objects.

The Government of the United Kingdom, for its part, has said that the British Museum will also provide assistance for the Baghdad Museum. To that end, a meeting, organized by the Museum in co-operation with UNESCO, was held in London on 29 April 2003. The meeting was attended by no fewer than 50 experts on the archaeology of Iraq from all corners of the earth, but most of them were from prominent museums such as the Louvre in Paris, the Hermitage Museum in St. Petersburg, the Middle East Museum in Berlin and the Metropolitan Museum of Art in New York. The participants discussed, inter alia, ways and means of applying the 1970 Convention on the Means of Prohibiting and Preventing the Illicit Import, Export and Transfer of Ownership of Cultural Property.

The meeting was convened as a follow-up to an initial meeting that had been organized by UNESCO at its Headquarters in Paris on 17 April and was attended by some 30 prominent experts on the Iraqi heritage. They ended by adopting a declaration in which they expressed their deep shock at the severe damage and acts of looting that had befallen Iraq's heritage and made six recommendations to the Director-General of UNESCO:

1. That all museums, libraries, archives, monuments and sites in Iraq be guarded and secured immediately by the forces in place;

2. That an immediate prohibition be placed on the export of all antiques, antiquities archaeological artefacts, works of art, books and archives from Iraq;

3. That an immediate ban be placed on the international trade in objects of Iraq's cultural heritage;

4. That a call be made for the voluntary and immediate return of cultural objects stolen or illicitly exported from Iraq;

5. That there be an immediate fact-finding mission under UNESCO coordination to assess the extent of damage and loss to cultural property in Iraq;

6. That there be the facilitation of international efforts in assisting cultural institutions in Iraq.

In addition to this plan, the Director-General of UNESCO took a number of immediate measures, notably the establishment of a crisis cell and the creation of a Special Fund for the Iraqi Cultural Heritage, to which a number of institutions and countries (including France, Germany, the United Kingdom, Egypt and Qatar) have indicated that they are prepared to contribute, while Italy has made an initial contribution of $400 000 and has promised an additional $600 000. UNESCO has also opened an office in Baghdad, and a number of the specialists who were working with the Organization under the "oil-for-food" programme have now been transferred there. Lastly, the Director-General has called upon the authorities of States bordering on Iraq, international police and customs authorities and art market regulators to collaborate with UNESCO in making sure that looted objects from Iraq do not get across the country's borders or into the hands of traffickers.

The Director-General has also requested the United Nations to bring the question of illicit trafficking in cultural property before the Security Council with a view to the adoption of a resolution that will be binding on all 191 members of the United Nations, including the United States and the United Kingdom, rather than only on the 97 States that have signed the 1970 Convention.

The German Archaeological Institute, for its part, is going to send a team of experts to help Iraqi researchers determine the value of looted objects and the damage sustained by the Museum, and also to monitor excavation work at archaeological sites in Iraq.

Many international organizations and institutions, both governmental and non-governmental, have spoken out to condemn what has happened and to offer assistance and the services of their experts to UNESCO, ALECSO and the Iraqi people, deeming the looting and devastation in Iraq to be a catastrophe for all humanity and the greatest disaster to befall the world's cultural heritage since the second World War. Among these organizations and institutions are:

- The International Council of Museums (ICOM)
- The International Council on Monuments and Sites (ICOMOS)
- The International Centre for the Study of the Preservation and Restoration of Cultural Property (ICCROM)
- The International Council on Archives (ICA)
- The International Committee of the Blue Shield (a committee made up of representatives from a number of international organizations, whose mission is to work for the protection of the world's cultural heritage.

- The International Federation of Library Associations and Institutions (IFLA)

Before the war broke out and Iraq had been invaded, ALECSO itself had written to the Director-General of UNESCO to warn him that the country's entire cultural and archaeological heritage might be at serious risk in the event of war, and that UNESCO and the other specialized agencies should embark on an awareness campaign to alert the world to that fact. In its letter, ALECSO had suggested that the States which were preparing to invade Iraq should be reminded that the country's cultural heritage was of the first importance, not only to Iraq itself and to the Arab region, but to humanity in its entirety, inasmuch as Iraq was one of the oldest civilizations, and its cultural and archaeological heritage belonged to the entire world. Consequently, the duty of protecting it was incumbent upon the entire world as well.

After the looting and destruction, ALECSO undertook a number of initiatives, of which we may mention the following in particular:

1. A memorandum to the Director-General of UNESCO on the occasion of the meeting of specialists in the Iraqi heritage held in Paris on 17 April, at which an ALECSO expert was a participant, affirming our support for any future initiative that might emerge from the meeting and outlining a two-part programme:

(a) An emergency plan aimed at taking immediate action to evaluate the losses sustained and define short-term rescue measures;

(b) A longer-term work plan to be developed and worked out in detail with the Iraqi authorities, the object of which would be to help them and support their reconstruction efforts, especially in the fields of education and culture.

2. An appeal for solidarity with the Iraqi people in the hour of trial that they were currently enduring. This appeal was issued on 17 April, and was addressed to:

- Ministers for Foreign Affairs of European and Latin American States;
- The Director-General of the International Centre for the Study of the Preservation and Restoration of Cultural Property (ICCROM);
- The Secretary-General of the International Council of Museums (ICOM);
- The President of the International Federation of Library Associations and Institutions (IFLA).

3. A letter to Mr. Haidar Mahmoud, President of the Conference of Arab Ministers of Culture, asking him to investigate the matter of the preservation and protection of the Iraqi heritage and to take all appropriate measures within the Arab region to seek the return of the cultural property in question, with ALECSO ensuring co-ordination with UNESCO and other specialized international organizations.

4. Participation in a meeting of leading world experts organized by UNESCO on 17 April by sending ALECSO's own expert in heritage matters. ALECSO was the only Arab regional organization to be represented at the meeting in question.

These initiatives and actions were widely reported in the Arab press, and considerably influenced the Arab Group at UNESCO, which is made up of the permanent representatives of the Arab States to that Organization.

ALECSO has also participated in a number of initiatives by the League of Arab States, notably the extraordinary meeting of Arab specialized organizations with the Director-General with a view to providing assistance to the Iraqi people (Cairo, 20 April 2003). The Director-General of ALECSO, Dr. Mongi Bousnina, attended the meeting and was instrumental in enabling the participants to agree on the preparation of a comprehensive report for submission to the United Nations, dealing with the support and assistance that the League of Arab States would be able to make available in the economic and social fields.

III. Measures currently being planned by ALECSO

In the light of ALECSO's educational, cultural and scientific responsibilities, and with a view to its participation in the tasks of preserving Iraq's cultural heritage and restoring its educational, cultural and scientific institutions and facilities to their former condition, the Organization has decided to take the following measures:

a. Culture and communications:

Co-ordination for a joint Arab effort along the following lines:

1. ALECSO will continue to play a pivotal role in programmed operations for the enumeration, recovery, evaluation and restoration of stolen cultural property, and for the publication of a book on items stolen from Iraq, for distribution to States, security-related institutions, specialized organizations and auction sales establishments in Europe, the United States, Japan and elsewhere.

2. The occupation authorities will be urged to take all necessary measures to put a stop to the looting of Iraq's cultural wealth and recover stolen items, having regard to their obligation under international law and custom to restore, repair and protect cultural facilities and to co-operate to that end with UNESCO and specialized international organizations. They will also be urged to make every effort to implement the recommendations adopted by the meeting of specialists held at UNESCO headquarters on 17 April and the recommendations adopted by the meeting of museum curators held in London on 29 April.

3. An investigation will be conducted to determine the facts concerning acts of looting, arson and destruction and to determine responsibility. The international community will be asked to try any groups or individuals who it may appear committed such acts.

4. Fraternal Arab and other countries will be invited to participate materially and technically in the tasks of repairing and restoring Iraq's antiquities and cultural institutions.

5. An organized information and publicity campaign will be conducted with a view to making the entire world aware of the scale of the catastrophe (a White Paper may be published, for example, and Web pages created).International forums and conferences will be used to generate

awareness of the importance to human civilization of the Iraqi museums and cultural shrines that were deliberately and systematically looted.

6. The Standing Committee on Archaeology and the Cultural Heritage will be convened, and will bring the issue of the Iraqi heritage to the attention of the meeting on archaeology and the cultural heritage that is to be held in Nouakchott, with a request for a full discussion.

7. An emergency meeting of Arab Ministers of Culture will be held.

8. The National Library of Iraq, which was burned in the course of the assault, will be supplied with 10 computers and printers and five photocopiers. A sum of approximately $30 000 will be allocated for the purchase of these items, under the 2003-2004 budget item relating to joint co-operation with Arab Member States. The purchase of the above-mentioned equipment will be given top priority under that budget item.

9. The National Library of Iraq will be given three copies of each of ALECSO's most recent publications, periodicals and important reference materials. The initial list contains 165 titles, and more may be added in due course.

10. Specialists in the restoration and preservation of archaeological treasures and manuscripts (two specialists in each of these fields) will be sent to rescue whatever can be rescued of the surviving manuscripts and artefacts, in co-operation with the Iraqi authorities. This activity will be entered as having top priority under Institute of Arab Manuscripts projects in the 2003-2004 budget.

b. Education and science

1. ALECSO will co-ordinate with other organizations working in the same area (UNESCO, ISESCO, the Arab Office of Education for the Gulf States) to develop cooperation mechanisms aimed at enabling educational institutions in Iraq to function normally.

2. A field mission to Iraq will be organized with a view to assessing the most pressing needs and determining what contribution ALECSO can most usefully make toward meeting those needs.

3. The Iraqi National Commission will be supplied with any books, reference materials, research papers, studies and strategic plans at ALECSO's disposal in order to replace those that have been burned or otherwise destroyed. The Commission will also be supplied with technical equipment, computers and other items that are essential to its functioning.

4. Monies will be allocated from the Emergency Fund for the support of Iraqi educational institutions.

5. ALECSO will organize a campaign in the Arab countries for contributions of books, reference materials, cash and various other essential educational items to support Iraqi educational institutions that have suffered as a result of the war.

6. An information campaign will be organized, in co-ordination with other organizations working in the same area, with a view to resisting efforts to

eradicate Iraq's Islamic identity in Iraqi curriculums and educational activities and ensuring that any changes to curriculums are made by the competent Iraqi national authorities with the assistance of Arab specialized organizations, notably ALECSO.

7. ALECSO will provide the Iraqi educational authorities with technical expertise in the areas of curriculum development, teacher training, educational technology applications and the restructuring of the Iraqi education system.

8. Iraq will benefit on a priority basis from ALECSO activities and programmes during two bienniums, the current one and the next one.

9. ALECSO will co-operate with Iraqi and other international bodies (such as the Union of Arab Scientific Research Councils, the Union of Arab Universities, ISESCO, UNESCO and the like), working through a committee established for that purpose, to make a detailed, objective determination of the situation of scientific and technological laboratories in Iraqi secondary schools, technical institutes, colleges of science and engineering and so forth, with a view to the preparation of a plan for providing them with equipment and thus making them operational once again, as a step toward the overall goal of enabling Iraqi educational and scientific establishments to resume their normal functions.

10. ALECSO will co-ordinate with other organizations working in the same area (including the Arab Organization for Agricultural Development, ACSAD, ESCWA, UNESCO and the like) to establish special committees entrusted with responsibility for investigating the situation in the area of water, the environment and the biosphere (soil, plants and animals) and evaluating the impact of the war, with a view to the preparation of a plan for appropriate action aimed at restoring the situation to its natural condition.

Lastly, ALECSO will continue to work with many Arab and international organizations, institutions and other bodies to muster material and moral support for Iraq, with a view to enabling the country's educational and cultural institutions to recover from the devastation and looting resulting from the war and to function normally once again. To that end, ALECSO will concentrate in particular on charitable economic institutions, businessmen and generous persons in an effort to establish an Arab fund for the support of culture and education in Iraq.

Report by the Arab Atomic Energy Agency

Prospective activities for implementation in Iraq to which the Arab Atomic Energy Agency will be able to contribute

As a prerequisite for an accurate assessment of ways in which the Arab Atomic Energy Agency can usefully contribute its support to the Iraqi people, it will be essential to determine the present situation of Iraqi institutions with which the Agency would be called upon to work.

On the basis of currently available data, it appears that the Agency's main lines of action in that connection are likely to be as follows:

1. Radiation protection and nuclear safety

(a) Preparation of draft legislation governing radiation protection and nuclear safety in Iraq, along with other appropriate statutory instruments and implementing regulations.

(b) Establishment of an Iraqi monitoring body with responsibility for overseeing the manufacture, use, storage and transport of radioactive materials and for licensing all activities entailing the use of radiation sources (importing, exporting, manufacture, use and so on).

(c) Preparation of an inventory of radiation sources and their locations in preparation for the storage of such sources at special facilities.

(d) Provision of training in the field of radiation protection.

2. Public health and the environment

(a) An organized search for radioactive contamination in the environment (soil, water, air and food) and investigation of the causes of such contamination in preparation for its elimination.

(b) Investigation of sites that formerly contained radioactive materials with a view to determining what has become of the materials in question and to what extent the sites are contaminated.

(c) A study of the effects of the use of depleted uranium (used in weapons and armoured vehicles) on the environment and human beings in Iraq.

(d) Development of nuclear medicine and radiation therapy centres.

(e) Provision of training for technicians in these fields.

3. Peaceful applications of atomic energy

(a) Use of the environmental isotope technique in upgrading water resource management.

(b) A quantitative and qualitative study of ground and surface water contamination and determination of its causes.

(c) Radioactive isotope use in medicine.

(d) Development of non-destructive testing research laboratories.

(e) Manufactured product quality control

(f) Control of the old world screw-worm, which is prevalent in southern Iraq. It is a serious threat to the country's livestock, and under some conditions can be fatal to humans as well.

(Signed) Director-General

Report by the Arab Centre for Studies on Arid Regions and Dry Lands

Memorandum

Suggestions by the Arab Centre for Studies on Arid Regions and Dry Lands (ACSAD) for providing support and assistance to the Republic of Iraq in the post-war period

1. Introduction

1.1 An introduction to ACSAD

The Arab Centre for Studies on Arid Regions and Dry Lands was founded in 1971 as a specialized regional organization operating under the aegis of the League of Arab States. Its headquarters is in Damascus. ACSAD has a General Assembly made up of the Ministers of Agriculture of its Arab Members, an Executive Council made up of seven Arab Ministers of Agriculture representing seven Arab States, and a Director-General who is appointed by the General Assembly.

ACSAD's field of activity is the semi-arid regions and dry lands of the Arab world, and its mission is to conduct research and studies to obtain practical scientific data that can be used to develop those lands—which account for approximately 90 per cent of the total land area of the Arab countries—to optimal advantage. ACSAD concentrates primarily on the natural resources of those lands, which promise to guarantee the food security of the Arab countries. Since its establishment, the Centre has set up the infrastructure it needs to carry out its activities: a headquarters, research stations, training centres, analysis, remote sensing and cartography laboratories, a central herbarium and a fruit tree cultivation station. In developing this infrastructure, ACSAD has applied state-of-the-art technological methods, notably remote sensing technology, geodata systems, mathematical modelling and databanks. It has recruited leading Arab experts, who have made outstanding contributions to the research and practical work conducted at the Centre on the natural resources of semi-arid regions and dry lands, particularly in the fields of water, land, natural plant cover and animal productivity.

Over the past three decades, ACSAD has implemented a wealth of programmes and activities and conducted many studies and research projects in its various areas of activity, including the conservation and rational use of natural agricultural resources (water, soil and plant cover), means of protecting them from contamination and erosion, traditional means of upgrading them by the judicious use of crops and livestock that are suitable for dry lands in the Arab countries, combating desertification and the rehabilitation of desertified lands, environmental conservation and the preservation of biodiversity, and the training of Arab technical personnel. ACSAD, as a recognized centre of excellence, co-operates with Arab and international organizations and technical co-operation agencies in the developed countries, including the Arab Organization for Agricultural Development, ALECSO, ICARDA, UNEP, UNDP, FAO, the International Fund for Agricultural Development (IFAD), the Islamic Development Bank, the Arab Fund for Economic and Social Development, the German technical co-operation agency GTZ, the BGR Institute, and others.

Because of the expertise and wealth of data at ACSAD's disposal in the field of desertification monitoring and control, environmental conservation and the preservation of biodiversity, the League of Arab States has entrusted it with

responsibility for follow-up, co-ordination and planning in all matters relating to the United Nations Convention to Combat Desertification and the International Convention on Biodiversity. ACSAD's status was further strengthened when it became one of seven Arab specialized organizations which were spared following a comprehensive assessment of all Arab organizations by the LAS Economic and Social Council.

1.2 Co-operation between the Republic of Iraq and ACSAD before the war

Iraq is a founding member of ACSAD, and the Centre has a long history of fruitful, successful co-operation with Iraq, as represented by the country's Ministry of Agriculture and its research and development bodies, and also with the Ministry of Irrigation, which continued without a break from ACSAD's founding until shortly before the outbreak of war in March-April 2003. That co-operation took the form of numerous activities in various fields, including, the following,

Lands and water use:

- The use of saline water in agriculture
- Training for Iraqi technicians in the use of remote sensing techniques for monitoring and combating desertification, and in the technique of building a soil and terrain databank using the SOTER system. Equipment for the establishment of a remote sensing laboratory was subsequently supplied.
- A national workshop on supplementary irrigation.
- An evaluation of the trickle irrigation system for the Iraqi Ministry of Agriculture in the context of a project on the use of saline water on the upper Euphrates.

Plant studies:

- Co-operation with the Abu Ghraib Centre and the Aba Centre in conducting experiments aimed at determining the productivity of ACSAD-developed varieties of hard and soft wheat and barley, with a view to testing and selecting varieties that are suited to local conditions and to supplying Iraq with limited quantities of cultivated seeds of ACSAD-developed varieties of wheat and barley. Co-operation continues in this field.
- Action to provide Iraq, as represented by the Ministry of Agriculture and the Horticulture and Forestry Corporation, with certified sources of olives, Aleppo pistachios, almonds and figs. Studies on the development of the culture of fruit trees in selected areas.
- Action to provide Iraq, on a regular yearly basis, with advanced varieties of wheat and barley and F2 and F3 generations isolated at the Aba and Abu Ghraib Centres.
- Evaluation of ACSAD-developed varieties of wheat and barley that have been selected for resistance to salinity, drought and diseases under local conditions. This project was initiated in 1996 and is still ongoing.
- A study on the development and evolution of border-straddling areas of pasturage.

- ACSAD contributed to the establishment of the Regional Forage Research Station for well-watered areas.

- Exchanges of forage plant genetic material and suitability trials with pioneering strains introduced into the local environment.

Water studies:

- Preparation of a special report on the Gulf States and Arabian Peninsula Standardized Reporting Form Project, in which Iraq was a participant (ACSAD, publication T/46-1984). The project was aimed at developing standardized climatological and hydrological data reporting forms for use in all the countries involved. The report was discussed and adopted at a meeting held in Kuwait in 1982.

- Preparation of a country report on the Republic of Iraq containing a comprehensive inventory of all water-related technology used in that country (ACSAD, publication T/34-1983, entitled *Iraqi water technology*) and suggestions for its development and renovation.

- In co-operation with the competent water authorities in Syria, Iraq and Lebanon, ACSAD prepared part of sheet F-6 of the International Hydrological Chart, which covers parts of the above-mentioned States.

- ACSAD prepared the sheet covering Baghdad, on a scale of 1:100 000, as its contribution to a 1984 aerial photography project aimed at mapping the geographic distribution of the Arab world's surface and ground water resources. The sheet in question was edited by a scientist from the Republic of Iraq.

- In the context of a 1990 hydrological mapping project covering the Arab world and neighbouring regions on a scale of 1:500 000, ACSAD prepared the section covering Iraq, accompanied by a supplementary memorandum.

- In 2001, ACSAD prepared a comprehensive study of surface water resources in the Tigris and Euphrates basins, in co-operation and full co-ordination with the water management authorities in Syria and Iraq.

- ACSAD prepared an integrated development map for the Tharthar Basin Authority in Iraq.

Livestock studies:

1. Genetic improvement of sheep and goats:

In 1973, ACSAD began work on a project aimed at enhanced meat production and a greater incidence of twin births, in co-operation with the Iraqi Ministry of Agriculture. ACSAD had prepared the initial work plan for the project and had provided some of the facilities and equipment required for its implementation.

ACSAD supplied Iraq with a number of genetically improved sheep and goats and a number of purebred rams for use in a cross-breeding programme.

2. Camels in the Arab world:

In 1980, ACSAD and the Arab Organization for Agricultural Development joined forces to conduct a study on the potential represented by camels in the Arab world and ways of developing that potential. The study looked at camel production

in Iraq, areas in which camels are used, problems associated with the development of this livestock resource, and approaches to upgrading its productivity.

3. Information on breeds of sheep in Iraq:

The aim of this project was to assemble all available information about the breeds of sheep raised in Iraq: importance, areas where kept, conformation characteristics, production record, determination of their latent production potential, and means of upgrading them. This study was published in 1981.

4. Inventory and evaluation of forage sources in Iraq:

The aims of this project were to survey traditional and non-traditional sources of forage crops, meet present and estimated future livestock feed requirements, identify major obstacles to forage crop production and suggest ways of enhancing it. This study was published in 1981.

5. Information on Iraq's livestock resources:

The aim of this project was to conduct a survey of the country's livestock resources and production and to assemble all available information about all breeds and strains of livestock kept throughout Iraq: importance, areas where kept, production systems, conformation characteristics, production record, identification of major obstacles to the development of Iraq's livestock resources and general approaches to developing them. This study was published in 1983.

6. Forage research and development network:

The aim of this project was to upgrade forage production capability through modernization of forage crop sources in the Republic of Iraq. This study was published in 1997.

Integrated development studies:

An integrated technical study on the economics of the natural agricultural resources, human resources and livestock of the Iraqi part of the Hamad basin. This study was part of the Hamad Basin Project, which was conducted jointly with Syria, Jordan and Saudi Arabia and was executed by ACSAD between 1979 and 1982. The region had been selected for a series of pilot investment and development programmes. The complete study comprises 50 parts.

Training:

Experts and senior technicians from Iraq have participated in scientific meetings and training courses organized by ACSAD in its various areas of activity. In addition, ACSAD has provided many services for students attending Iraqi universities and Iraqi research scientists in the form of reference materials, which ACSAD supplies through its library or via the Internet.

2. Proposals for projects and activities that ACSAD might implement after the war

In the context of Arab action to address the disasters that have afflicted Iraq as a result of military action, with the various Arab specialized organizations under the aegis of the League of Arab States contributing to the task of rebuilding the country, we offer herewith a number of proposals for projects in ACSAD's areas of activity that the Centre might implement with a view to supporting sustainable agricultural

development in Iraq. The titles and estimated costs of these projects are shown in the table below, and some details are given in the following pages.

Table showing proposals for projects in Iraq suitable for implementation by ACSAD during the post-war period

Project	*Costs ($)*
1. Study on the present situation of the agriculture and water sectors	7 000 000
2. Creation of a soil and terrain databank in accordance with the SOTER system. Production of a map showing land use in the Republic of Iraq.	2 000 000
3. Production of a map showing soil degradation in the Republic of Iraq, and establishment of a pilot desertification control region.	4 000 000
4. Creation of an integrated database of water resources in the Republic of Iraq.	300 000
5. Restoration and restocking of destroyed fruit tree nurseries.	300 000 per nursery
6. Restocking of date palms in areas where they have been destroyed.	350 000
7. Rehabilitation of degraded natural grazing land.	200 000 per 4000 ha
8. Rehabilitation of crop breeding programmes (wheat and barley)	3 000 000
9. A survey of Iraq's livestock resources in the post-war period.	Will be estimated from survey results
10. Human resource development in the irrigation and agriculture sectors.	$100 per trainee (in-country training)$150 per trainee (out-of-country training), exclusive of air travel tickets.

Proposed project for a study of the present situation in the agriculture and water management sectors in the Republic of Iraq in the post-war period

Justification:

It is clear that the infrastructure and facilities of the agriculture and water sectors in the Republic of Iraq have been extensively damaged or destroyed, entirely or in part, in all parts of the country as a result of the military operations of March and April 2003. Those operations have contributed to the creation of numerous obstacles to sustainable agricultural development in Iraq:

- Part of the infrastructure of the agriculture and water management sectors has been destroyed.
- Facilities relating to agricultural and environmental development and water development and management have also been destroyed.
- Development plans for the agriculture, environment and water management sectors are at a standstill, as are plans for the development of agricultural projects, research projects, agricultural extension projects and semi-arid land development projects.
- Data and documentation relating to Iraq's natural resource inventory have been irretrievably lost, including data on both land and water, as well as land-use maps.
- Equipment, software and libraries have all been lost, notably those relating to agricultural research and extension centres and laboratories.

- Iraq's trained human resources have been dispersed, and some of them may be permanently lost to the country.

Accordingly, it is essential for the scientific and technical capacities, institutions and structures of Iraq's agriculture and irrigation sectors to be rehabilitated and rebuilt on objective bases, for the sake of the stability and development of the country's agriculture, including both crops and livestock, and related institutions and facilities.

This task will necessitate the participation of centres of excellence that will be able to help the competent authorities in Iraq get the agriculture and irrigation sectors restarted. Ever since ACSAD was founded in 1971, it has contributed to agricultural development in the Arab countries, including Iraq. Now, as always, the Centre is in a position to contribute effectively to the reconstruction of these two important sectors within a context of sustainable development.

Project main goal:

Rehabilitation of Iraq's agricultural development capacities on a sustainable basis by means of a study on the present situation of the agriculture sector (including both crops and livestock) and the water management sector, both of which have sustained extensive destruction as a result of the war. The findings of the study will be used as a guide to conceptualization of the main lines of an agricultural development strategy and short- and medium-term development plans, including a number of integrated agricultural policies, projects and activities for the rehabilitation of these two sectors in terms of their human, material and technical resources and facilities. The plans will also cover implementation requirements and estimates of the associated costs.

Objectives:

The aim of this study will be the creation of a broad, integrated database that will be a useful tool for the following purposes:

- Rehabilitation of Iraq's institutional capacities and reconstruction of laboratories specializing in plant, water and soil analyses and equipped with state-of-the-art technological applications, including remote sensing and geographic information systems; creation and development of spatial and non-spatial databases in accordance with modern systems and methods, the said databases to be interlinked into integrated management systems;

- Implementation of programmes for a new inventory of Iraq's natural resources (soil, water and the environment);

- Creation and development of local and non-local databases for Iraq's natural land, water and environmental resources and arable land, using a working methodology based on internationally applied standards and criteria;

- Production of phytoecological and land-use maps at appropriate scales for high-priority regions, to be characterized by maximal precision and accuracy, with application of state-of-the-art remote sensing and geographic information system technologies;

- Production of maps showing land degradation;

- Identification of obstacles to sustainable agricultural development in the regions under study, and recommendations for sustainable management systems;
- Identification of some degraded regions with a view to developing pilot projects aimed at the rehabilitation of those regions;
- Skills development and training for the senior Iraqi personnel who will be required for the implementation and management of the above-mentioned projects.

Location: all parts of Iraq.

Time frame: two years.

Activities:

Study on land resources

Study on water resources

Study on plant cover (including plant cover in areas of pasturage, fruit trees and forest)

Study on Iraq's livestock

Study on economic and social aspects of relevance for the agricultural sector

Study on relevant institutions

The above-mentioned studies will be conducted by a number of specialized teams, each of which will be made up of qualified experts. The teams will require transport, equipment, facilities and supplies in order to perform their work.

Total estimated cost:

The total estimated cost of these projects amounts to approximately US$7 million, including the experts' wages and salaries and all equipment, facilities, transport and supplies.

Project for the creation of a soil and terrain database in accordance with the SOTER system. Production of a map showing land use in the Republic of Iraq

Background and justification:

A database is an essential feature of many stages in natural resource evaluation, study, planning and investment, inasmuch as it contributes extensively to optimal natural resource development, affording as it does a means of achieving sustainable development and meeting social needs while maintaining the natural environmental balance.

The availability of fundamental data on land resources appears as a major natural resource in its own right, one that serves the ends of agricultural development. Furthermore, a good database facilitates exchanges of land-use data between technical experts, thereby enabling all of them to use the data in question to full advantage. There are many studies on the soils of Iraq available, covering most of the country, and a mass of supporting data is available as well, and it is extremely useful for all this information on soil and terrain to be put together in the SOTER

(soil and terrain digital database) system. SOTER is a system that is used throughout the world to merge a variety of systems into one, and this greatly facilitates interaction among technical experts.

The task of preparing a map showing current land-use patterns in Iraq is one of the utmost importance as a guide to investigating the present utilization situation and revealing sites calling for research and areas of injudicious utilization.

The objectives of this project may be summed up as follows:

1. To assemble studies and maps relating to land, extracting all available data from them, and putting those data in programmable form. This task will lead to all the data being put into a single unified system that will facilitate interaction among technicians and enable them to use the data to optimal advantage.

2. To create a computerized database that will be able to provide the data needed for the preparation of development plans.

3. To use programme applications by tying them in with the database in order to obtain important indicators that will contribute to some extent to the task of making appropriate utilization decisions. These programmes include a land evaluation programme, a water erosion programme, a climate programme, and others.

4. To produce a number of maps that will provide great quantities of data for use in natural resource use planning.

5. To acquire a means of updating data whenever additional information becomes available.

6. To train senior Iraqi personnel in the field of database production and utilization.

Activities:

- Phase I: assessment of the present land-use situation in Iraq, assembling all data, studies and maps available in the country, extracting all necessary information, transferring it to forms, and organizing a training session for senior Iraqi technical personnel.

- Phase II: Filling in any gaps in the data.

- Phase III: Entering the data into the computer programme and preparing the SOTER map by means of a geographic information system.

- Phase IV: Applying the SOTER-linked programmes by means of a GIS, a land evaluation programme, a water erosion programme, a climate programme, and various other dedicated maps if required (relief map, geological map, water erosion map, and so on).

- Phase V: Obtaining, processing and interpreting space photographs on a scale of 1:500 000, defining the various units, and using the database to prepare a land-use map.

Anticipated outcomes:

- Creation of a digital soil and terrain database that will be usable for purposes of sustainable agricultural development.
- Production of a number of dedicated maps that will contribute to the optimal utilization of Iraq's land resources.
- Capacity building for Iraqi managerial personnel.
- Production of a land-use map showing the current utilization of the country's land resources, which will serve as a tool for determining whether those resources are being judiciously or injudiciously used.
- Incorporation of all available studies and research on the lands of Iraq into a single unified system from which all concerned will be able to benefit, even though they may belong to different schools.

Project time frame: Five years

Estimated costs: $2 million

Project for the production of a map showing soil degradation in the Republic of Iraq, and establishment of a pilot desertification control region

Background and justification:

Apart from the devastation resulting from military action, a close analysis of desertification in Iraq reveals that the phenomenon is spreading in numerous forms in various different environments as a result of human mismanagement of the country's natural resources. It is also clear that drought has played an ancillary role in fostering the spread of desertification in semi-arid regions bordering on true deserts. The causes of desertification may be summarized as follows:

- Destruction of arable land and grazing land as a result of military action;
- Cultivation of land that is suitable only for grazing, the phenomenon of firewood-gathering, with the uprooting of shrubs and bushes usable as livestock browse, overgrazing and transhumance;
- Mismanagement of arable land with resultant denudation and wind and water erosion, salinization, and contamination resulting from the injudicious use of chemical pesticides and fertilizers;
- Poor cultivation practices that foster soil degradation, such as ploughing across contours instead of along them and deep ploughing on slopes, which causes desiccation of the root zone and prevents plants from taking full advantage of ground moisture;
- Mismanagement of water resources, such as depleting underground aquifers;
- Inappropriate irrigation practices that are accompanied by negative impacts in some areas, leading on occasion to such phenomena as salinization, alkalinization or saturation;
- Inadequate water resources and wasteful water use practices, which rank among the main causes of desertification.

Overall objectives:

- Rectification of the situation as regards utilization of the natural resources of semi-arid regions of Iraq, including soil, water, natural plant cover and livestock, with a view to preserving, insofar as possible, the fragile environmental balance among those resources; to that end, identification of alternative land-use patterns and discouragement of practices tending to cause soil degradation;

- Development of a comprehensive strategy for combating desertification in Iraq, based primarily on appropriate solutions and techniques identified in the pilot region; this task will be accomplished jointly by ACSAD and the relevant institutions, working in partnership with local residents;

- Enhancement of local residents' living conditions by enabling them to earn cash income on an ongoing basis;

- Assistance for the Iraqi effort to achieve food security through the rehabilitation of degraded areas and enhancement of the productivity of grazing land, and consequently that of the livestock kept there;

- Upgrading of the capacities of senior Iraqi technical experts working in the field of desertification control, soil conservation and plant cover rehabilitation;

- Environmental conservation and protection;

- Training for senior Iraqi personnel in the production of land degradation maps on various scales by means of modern remote sensing and GIS technologies, and conducting field missions to verify the accuracy of the maps so produced.

Immediate objectives:

- Development and implementation of plans and programmes on combating desertification and the rehabilitation of degraded areas at specific locations (pilot areas) in semi-arid regions of Iraq, based on analysis and monitoring of the desertification phenomenon at those locations, and subsequent adaptation of the programmes in question at other sites at risk of desertification. National desertification control maps will be used in this connection, and the work will be integrated with similar projects currently under way.

- Action to enhance local residents' awareness of the hazards of injudicious use of the resources of semi-arid regions and desertification, use of such information media as are available, including a documentary film for every pilot area;

- Training for technical personnel working in the field of desertification control, soil conservation and plant cover rehabilitation;

- Encouragement for regional and international organizations, donor agencies and the Secretariat of the Convention to Combat Desertification to participate in providing all necessary assistance, expertise and grants in the effort to combat desertification;

- Identification of hot degraded regions that are in need of rehabilitation.

Project time frame: five years.

Activities:

- Production of a map showing land degradation in Iraq, on a scale of 1:23 000;
- Application of desertification control techniques and rehabilitation of degraded land and plant cover, in co-operation with national institutions and local residents, using remote sensing and geographic information system technologies, and subsequent field verification activities;
- Application of techniques for storing rainwater and runoff water, and investigation of a technique for artificially recharging aquifers in promising areas;
- Development of integrated drainage basin management and utilization methods in affected or threatened areas;
- Organization of grazing and periodic grazing practices, and identification of transhumance routes and frequency of utilization;
- Development of traditional production systems, including grazing practices, stockbreeding practices, feeding practices, veterinary care practices and transhumance management practices;
- Study and evaluation of the effects of activities and policies that have been applied in the past, especially as regards their economic and social aspects;
- Creation of a database on activities, measures and outcomes with a view to extending them to other similar regions;
- Selection of an area of degraded grazing land, between 1,000 and 2,000 hectares in extent, for the application of rehabilitation measures as a pilot project;
- Delivery of a training programme for members of relevant Iraqi teams and technical personnel, with a view to upgrading participants' skills and developing unified desertification monitoring and control methods and systems;
- Informational activities of various kinds, involving different media (print and audio-visual), such as printed brochures and periodicals and radio and television broadcasts, designed to shed light on the importance of soil conservation, the rational use of natural resources and the rehabilitation of degraded land, with a view to conveying a fuller understanding of this project among the Iraqi public and enabling people to grasp what is actually happening to the land, in the expectation that they will be able to adapt to future changes resulting from measures taken in the context of the project. Our hope is that we shall thereby generate a sort of positive catalytic effect that will make people more involved with the issues confronting them.

Anticipated outcomes:

- Production of a map showing areas of degraded land in Iraq (desertification in the Republic of Iraq), which will indicate the various causative factors, the severity of degradation, and "hot" areas requiring immediate treatment;

- Determination of appropriate methods and techniques for desertification monitoring in semi-arid regions, featuring the application of modern technologies;
- Production of a series of relevant dedicated maps (soil degradation, plant cover, hydrology, biology and so on), relying for that purpose on data analysis and evaluation and space photography;
- Adoption and enhancement of traditional methods for the rehabilitation of degraded soil, plant cover and grazing land, supplemented by modern methods and techniques;
- Upgrading and rationalization of the utilization of available water resources;
- Development of pilot grazing land sites, and stocking them with breeding units of important species of grazing animals;
- Upgrading of the productivity of Iraq's livestock, with resultant better returns to the breeder and greater grazing land productivity, generating adequate supplies of forage;
- Development of a short- and long-term strategy for combating desertification, to be integrated into Iraq's comprehensive national development plans and policies;
- Activation of public participation in and enhancement of local people's awareness of the effort to combat desertification, rehabilitate degraded soils and plant cover, and achieve rational utilization of water resources and livestock;
- Development of a quality database on natural resources in Iraq;
- Training a core of Iraqi senior technical personnel, equipping them with specialized skills in the rehabilitation of desertified semi-arid land and enabling them to disseminate degraded land rehabilitation techniques;
- Environmental protection and conservation, minimization of desertification risks, and action to help conserve biodiversity.

Estimated budget: approximately US$ 4 million

Project for the creation of an integrated database of water resources in the Republic of Iraq

Justification:

Iraq has been experiencing a very difficult situation for some years now. During the period of the sanctions regime, there was no possibility of bringing in scientific and technological innovations. The recent war has now destroyed what was left of the country's scientific infrastructure in the area of water-related institutions, notably the Ministry of Irrigation. Consequently, it is urgently necessary to build a modern, state-of-the-art water resource database, relying for that purpose on the most modern systems now available. Such a database will be a highly useful tool for the storage and management of water-related information, and also for the use of that information for purposes of research and studies on water; it will contribute to the task of protecting Iraq's water resources from depletion and

contamination while meeting the country's growing need for water for industry, agriculture and human consumption.

Objectives:

Modernization of the data structure in the Ministry of Irrigation's water management institutions, and inputting its data and information into an integrated water resources database.

Components and activities:

- A study on the current situation of institutions concerned with water resources in Iraq and their working tools, and an evaluation of the data and information available to them;
- Distribution of the data system to match the distribution of drainage basins in Iraq and the quality and volume of data available;
- Digitization of topographic maps for the production of a topographic base chart;
- Preparation of forms containing information on Iraq's surface and groundwater resources, including quality, utilization, quantitative and qualitative monitoring, and the like;
- Preparation of documentation forms for reports and studies;
- Completion of forms using available data (a limited number of forms for trials with the system);
- Creation of a database and systems for data input, search and retrieval;
- Linking the database with data representation systems;
- Linking the database with a geographic information system to generate images of water resources for various purposes;
- Training in the use of the system.

Time frame for implementation: 18 months

Anticipated outcomes:

Creation of the above-mentioned database as a platform and starting point for the documenting and processing of all available data and information on water resources in Iraq, and also the documenting and processing of available reports and studies on those resources.

Total cost: $300 000

This figure includes technical experts, equipment, computers, data systems and training.

Project for the post-war restoration and restocking of destroyed fruit tree nurseries

Background and justification:

Fruit tree cultivation is widespread in Iraq; it is carried on in a number of widely separated environments. However, despite the fact that the climate is suitable for many different kinds of fruit and many different varieties, which are grown in abundance and are of excellent quality, this sector is confronted with numerous problems because of the difficult circumstances in which Iraq finds itself, beginning with the long period of sanctions and ending with the recent military action, which has resulted in the ruin or destruction of many fruit tree production centres and nurseries.

Fruit production is an important activity in Iraq. It has long played an effective role in enabling growers to remain on their land while earning a good income. As a result of the present difficult circumstances, however, and the adverse impact they have had, immediate action to revitalize and develop the fruit production sector is now required in order increase growers' income, raise their standard of living and encourage them to remain on the land. In the interests of Iraq's food security, food production must be increased, and to that end it is essential to preserve the country's reliable stocks of fruit trees, with their outstanding characteristics in terms of varieties, origins and local adaptation. Accordingly, existing nurseries specializing in fruit tree production must be rehabilitated and new ones established, distributed throughout most regions of Iraq, as a means of restoring fruit production in areas where it has been destroyed and expanding it elsewhere, using selected stocks and varieties that have been certified by qualified experts.

Objectives:

Rehabilitation of the fruit production sector in Iraq and developing it with a view to both local consumption and export.

Project time frame: Four years

Activities and components:

The project will seek to attain its objectives through the execution of the following activities:

- Identification of stocks, varieties and strains that are of economic importance and adapted to Iraqi environments, with a view to the establishment of plantations at or near the sites of nurseries, to supply the latter with plant material;
- Rehabilitation of destroyed nurseries and replacement of their equipment and facilities, and establishment of new nurseries, each to be between 10 and 12 hectares in extent;
- Production of scions, seedlings and young trees grown on suitable rootstocks, all certified disease-free, and making them available to growers in adequate quantities at reasonable prices;

- Establishment of parent stock plantations of desirable varieties and strains of fruit trees, certified as a source of scions, having as their function to supply nurseries with genetic material adapted to the region where the fruit trees will be grown;

- Introduction of modern technology into seedling production as a means of expanding fruit tree cultivation;

- Providing the expertise required to support fruit tree research and extension activities with a view to the introduction of new varieties and stocks of various kinds suited to conditions in Iraq, and taking advantage of traditional local sources in developing the fruit cultivation sector;

- Establishing greenhouses for the propagation of seedlings;

- Increasing the area of land planted with good quality, appropriate, high-yielding tree varieties;

- Raising yields and therefore increasing growers' incomes and raising their living standards;

- Growers who can live securely on their land, producing enough for their own needs and an exportable surplus;

- Establishment of pilot plantations on growers' land.

Anticipated outcomes:

- Establishment of fruit tree nurseries and parent stock plantations that will provide a solid basis and a nucleus for the further expansion of fruit tree cultivation in Iraq;

- Creation of a database on local and imported fruit tree genetic material in a number of plant environments, which will yield knowledge of the identity of every stock and variety involved, and hence will help expand fruit tree cultivation;

- A scientific inventory of local plant material with a large and varied genetic heritage; this will protect the varieties involved from extinction and will be a useful genetic improvement tool;

- Supplies of plant material adapted to environmental conditions in Iraq;

- Enhancement of environmental conditions through rehabilitation of the plant cover, in the form of fruit trees, which will help check desertification;

- Provision of expertise, training for specialized technical personnel and the propagation of knowledge;

- Improved living standards and more income for Iraqi growers;

- Supplies of genetically excellent seedlings for reforestation projects in Iraq.

Total estimated cost:

The sum required to implement the work on this project is estimated at an average of US$500 000 per nursery.

Project for the restocking of date palms in areas where they have been destroyed

Background and justification:

In historical terms, the date palm is one of the oldest types of fruit tree known to man. The date harvest is of strategic importance to North Africa and the Middle East. The date palm is thought to have originated in the Arab world and to have spread from there to other regions. It has clearly affected the way human beings live. It is a fruit tree, of course, one that yields a high-quality food and provides growers with a good living, but it is distinguished by the fact that it flourishes in dry and semi-arid environments in which almost no other type of fruit tree can be grown successfully. Date palms provide shade and shelter from heat and dry winds for many other food crops, forage crops and trees, and in addition they stabilize sand dunes and check desertification. Moreover, dates are in growing demand in both local and export markets, and this has endowed the date palm with great economic importance in the Arab region.

Many of Iraq's date palm plantations have been destroyed or extensively damaged as a result of the hardships that the country has had to endure in recent years. In particular, large areas of date palms were wiped out by the military action of a few months ago. Immediate action to restock destroyed date palm plantations is urgently needed, with the aid of modern scientific methods and selected varieties.

Objectives:

- Arresting the deterioration that is occurring in plantations of date palms and has led to the disappearance of many outstanding varieties;
- Preservation of date production as a major natural resource of great economic importance, one that provides growers with substantial income;
- Higher living standards and increased income for growers, who will be able to make a living while remaining on their land;
- Propagation of desirable, high-yield varieties by means of tissue culture;
- Enhancement of the technical skills of persons working in the field of date production;
- Enhancement of date palm productivity, economic yield and product quality.

Project time frame: three years

Activities and components:

- Preparation of an inventory of high-quality local varieties and strains that have stood the test of time;
- Establishment of parent stock plantations in which high-quality local and imported varieties will be grown as a basic source of genetic material for propagation purposes;
- Rehabilitation of destroyed land in preparation for restocking and cultivation;
- Supplies of high-quality date palm seedlings produced by means of tissue culture, as these are free of viral diseases and will grow quickly;

- Training for senior technical personnel in the cultivation and care of date palms.

Anticipated outcomes:

- Increases in date palm cultivation and date production;
- Higher living standards and increased income for growers;
- Enhancement of the economic yield of regions of date-palm cultivation as a result of the introduction of high-quality, productive varieties;
- Enhancement of the skills and technical expertise of persons working in the field of date production;
- Supplies of plant genetic material for the use of research centres;
- Enhancement of Iraq's research capacities.

Estimated total cost: $350 000

Project for the rehabilitation of degraded natural grazing land

Justification:

- Degradation of the plant cover and declining productivity in a number of areas of grazing land in Iraq as a result of the war;
- Increased utilization pressure as a result of the fact that management was non-existent during the long period of sanctions against Iraq; this has led to qualitative deterioration of the plant cover over large areas;
- Natural grazing lands in Iraq formerly carried an abundance of varieties of plants that livestock used as forage; until recently, this enabled those lands to meet the needs of people who lived in semi-arid regions.
- There are a number of grazing-land stations in many regions which will be able to supply some of the items needed for rehabilitation.

Objectives:

- Rehabilitation of a 4000-hectare area of natural grazing land as a pilot zone that will contribute to support for rehabilitation techniques and their extension to other regions;
- Return of degraded regions to an effective production cycle;
- Support for grazing-land stations in the form of the collection and production of local seeds which will be useful to the stations in question for purposes of their projects;
- Identification of suitable grazing land utilization and management practices;
- Training for local technical personnel to pursue development and rehabilitation work under other projects.

Components and activities:

1. Main project components:

An area of land approximately 4000 hectares in extent, comprising two sites, each of 2000 hectares.

2. Main activities:

2.1 Year 1:

- Identification of two sites, each approximately 2000 hectares in extent, and selection of one of them for protection only in the light of the findings of surveys and evaluation of both sites;
- Enclosure of the two sites by suitable means (such as wire or ditches);
- Stocking and protection on the other 2000-hectare site, planting seeds and seedlings in accordance with various techniques (strips, contours, drills, broadcast);
- Gathering of climatic data available at the site.

2.2 Years 2, 3, 4 and 5:

ACSAD will provide oversight and field follow-up with local technical personnel associated with the project as regards the following:

(a) A survey, inventory and evaluation of plant cover in selected areas with a view to determination of the existing situation and possible conservation and development practices;

(b) Yearly evaluation of the current situation on forms expressly prepared for the purpose;

(c) Collection of seeds of important forage plants and implementation of a propagation programme;

(d) Identification of utilization practices on these sites beginning in Year 4;

(e) Analysis of the results of field operations in years 2, 3, 4 and 5 and drafting of the final report.

Anticipated outcomes:

- Development and evolution of a pilot zone that will be used as a guide for measures in other regions;
- Collection and storage of important genetic sources of various species of promising forage plants;
- Support for restocking programmes implemented by the Ministry of Agriculture, in the form of appropriate technical expertise and substantial quantities of seeds of various appropriate species of forage plants;
- Protection, propagation and preservation of species in danger of extinction and introduced species;
- Greater economic returns from livestock production for local residents.

Total estimated cost: US$200 000 for a 4000-hectare site.

Project for the rehabilitation of crop production programmes (wheat and barley)

Justification:

- Rehabilitation of wheat and barley production programmes following the loss of genetic material as a result of military action, which destroyed the research stations where the programmes in question were conducted;
- It is urgently necessary to introduce new varieties and state-of-the-art agricultural technology in order to upgrade seed productivity in general and that of wheat and barley in particular;
- Deterioration of infrastructure at research stations where crop production programmes were conducted.

Objectives:

- Support for seed production programmes in Iraq by supplying high-quality genetic material in the form of promising strains or isolated stocks developed at ACSAD and other institutions to offset the abandonment of programmes aimed at meeting local needs;
- Provision of improved varieties and strains that can withstand drought, salinity and other environmental and biological stresses, to replace degraded local varieties;
- Rehabilitation of physiological research laboratories that support production programmes;
- Upgrading of the skills of local technical specialists in the field of the production of field crops for resistance to various stresses.

Components and activities:

- Delivery of an integrated production programme aimed at developing high-quality varieties and strains of wheat and barley that display high productivity and good quality characteristics and are acclimatized to local environments (one programme for each designated climate zone);
- Collection and characterization of local genetic material with a view to enlarging the gene pool for use in genetic improvement programmes;
- Provision of equipment for laboratories in which plant production programmes are prepared, and remedying unsatisfactory aspects of the way major trials in support of plant production programmes are conducted;
- Training and theoretical and practical skills upgrading for Iraqi technical specialists.

Anticipated outcomes

- Enhanced crop seed (wheat and barley) productivity, especially in semi-arid regions and dry lands, through supplies of improved varieties and the use of modern agricultural methods and technologies;

- An end to imports and the achievement of self-sufficiency in seeds and derived products;

- Productive use of salinized land or saline water through supplies of salt-resistant varieties;

Total estimated cost: $3 million in the first year and $500 000 per year thereafter for training programme follow-up.

Project for a survey of Iraq's livestock resources in the post-war period

It is clear that the infrastructure of the Ministry of Agriculture and Irrigation have been partly or entirely destroyed, including its regional Directorates and its research and production stations, the National Research Centre and the Colleges of Agriculture and Veterinary Medicine in various parts of the country, as a result of the military action mounted against Iraq in March and April.

Accordingly, Iraq needs to rebuild its scientific and technical capacities and its agricultural structure and facilities on new bases that will promote sound development of both crop and livestock production in the country, leading to enhanced productivity and production for world markets.

This task calls for expertise and the ability to help the Iraqi authorities rehabilitate their agriculture sector. Ever since ACSAD was founded in 1971, it has contributed to agricultural development in the Arab countries, including Iraq. It is now well placed to contribute effectively to the rebuilding of the country's livestock production under a project for the development of its livestock and forage resources. The project will comprise a number of aspects:

1. Preparation of a general and operational plan for rebuilding the technical and scientific capacities of Iraqi managerial personnel working in the field of livestock production, animal health and forage resources and conducting the associated research activities in relevant official institutions in Iraq;

2. A survey covering the numbers, distribution, importance and genetic heritage of livestock resources in the various regions of Iraq, with recommendations for their development;

3. A survey of forage resources, with recommendations for the development of those resources in step with increasing livestock production;

4. A survey of research centres and stations dedicated to the breeding of sheep, goats, cattle, camels, poultry and horses, and animal health centres, with their associated laboratories and work facilities; the survey will also include a study of the rehabilitation and development needs of all the above, in accordance with Iraq's plan for the development of its livestock production sector;

5. Provision of adequate numbers of improved types of Arab horses, sheep, goats, camels, cattle and various species of poultry to get Iraq's research stations and centres up and running again, so that they are able to perform their function of developing the genetic make-up of the country's livestock, enhancing its per-unit productivity, and distributing improved stock to breeders.

6. Contributing to the implementation and oversight of the above-mentioned operations over a five-year period.

Estimated cost: The cost of delivering the constituent activities of this project will be estimated in the light of the survey findings.

Project for human resources development in the agriculture and water management sectors

Justification:

People may be the ultimate object of development, but they are also the only effective means of implementing development efforts. Consequently, it is essential for people to be trained and provided with skills, so that they can assimilate technology and become meaningful factors in attaining the objectives of sustainable development. Iraq has experienced severe difficulties: it was subjected to sanctions for over ten years, and was then the target of the recent military action. As a result, it has been unable to introduce scientific and technological innovations, while its technical experts in the agriculture and water sectors have been dispersed; indeed, many of them may be permanently lost to the country. Iraq is urgently in need of trained technical personnel in the two sectors just referred to.

One of the main components of ACSAD's working strategy is the transfer of knowledge and technology that is appropriate to the situation of the Arab countries, including Iraq, and this unquestionably applies to the professional development of the human beings working in the field of agriculture, the environment and water resources. Accordingly, the Centre has established a number of specialized training facilities in the host State, which have trained thousands of technicians in various fields. It will be quite feasible to institute a broad-scale training programme for senior Iraqi technical personnel, operating along lines appropriate to the present situation in post-war Iraq. This would be a useful step toward attainment of the objectives of agricultural development and human resource skills and knowledge upgrading in various fields, as follows:

Training fields:

Land and water resource use:

- Using modern technology in desertification monitoring and control;
- Scheduling of irrigation and the use of trickle irrigation to deliver fertilizer, using modern irrigation methods;
- Using water of variable quality;
- Using modern technologies in surveying land resources and land resource use and producing dedicated maps;
- Producing soil degradation maps and estimating various states of degradation;
- Reclaiming land affected by salinization;
- Soil, water and plant analysis.

Water resources:

- Organizing monitoring networks and linking them with databases, and processing water resource monitoring data;

- Rainwater harvesting techniques;
- Mathematical modelling of ground and surface water;
- Production of graphics showing susceptibility of groundwater environments to pollution;
- Interpretation of environmental isotope data.

Livestock:

- Management of animal husbandry establishments;
- The genetic improvement of livestock;
- The establishment and use of livestock genetic improvement databases;
- Artificial insemination;
- Embryo transplantation;
- Camel production;
- Feeding livestock;
- Economic livestock feed formulations;
- Feeding grazing animals and estimating the livestock carrying capacity of natural grazing lands;
- Forage analysis;
- Forage manufacture and storage;
- Dairy product manufacture and marketing;
- Animal health care.

Rural women:

- Keeping sheep and goats;
- Keeping cattle;
- Keeping poultry and marketing poultry products;
- Dairy production and marketing dairy products;
- Making and marketing leather, hair and wool craft items.

Crop production:

- Growing grain crops (wheat and barley);
- Grain crop (wheat and barley) seed propagation;
- Transferring technology to farmers;
- The rehabilitation of degraded natural grazing lands and land utilization practices;
- The establishment and management of fruit tree nurseries;
- Restocking destroyed date palm plantations.

Estimated costs:

The cost of training one person in Iraq is US$100 per day. The cost of training one person outside Iraq is US$150 per day, exclusive of air travel tickets.

3. Projects and activities for implementation under agreements concluded before the war

In addition to the project proposals outlined above, which ACSAD is in a position to implement in Iraq, agreements for the implementation of a number of other projects and activities were concluded between the Ministry of Agriculture and ACSAD on the occasion of a visit by an ACSAD mission to Iraq from 1 to 4 December 2002. The projects in question are as follows:

- ACSAD support for research on fruit production by supplying the General Horticulture and Tree Crop Company with reliable genetic sources of some varieties of bananas, olives and Atlantic terebinth in the form of seeds and seedlings;
- Joint research programmes on breeding improved varieties of wheat and barley, reclaiming high-salinity soils, and using saline and waste water for agricultural purposes;
- Providing the Ministry with a groundwater monitoring database system;
- Training Iraqi technical personnel at ACSAD headquarters and in Baghdad in various fields relating to fruit tree cultivation, soil resource management, the use of mathematical models in water resource planning and management, geographic information systems and the like;
- Delivery of a programme aimed at upgrading *Awasi* sheep production and Syrian goat production in Iraq, under which ACSAD agreed to supply improved genetic material and training materials and equipment, and also to provide technical oversight;
- Participation by ACSAD in the implementation in Iraq of a development programme on "Water resource conservation and sustainable agriculture management in high-rainfall areas of Iraq". This programme was to have been implemented in co-operation with FAO in the context of the oil-for-food programme. ACSAD had indicated its interest in participating in this programme in a letter to the Iraqi Minister of Agriculture (ref. 415/SFQ) dated 16 April 2003.

Report by the Arab Organization for Agricultural Development

Hazards confronting the agriculture sector in Iraq and some suggestions for support and damage mitigation

As a result of the recent war, the agriculture sector in Iraq is at risk from many causes, of which the following are perhaps the most serious:

1. Spread of animal disease pathogens:

Iraq's programmes for the treatment and prevention of animal disease pathogens have ground to a halt; furthermore, vaccines and pharmaceuticals for such

prevention and treatment are not available. As a result, sudden outbreaks of many epizootics and animal diseases are to be expected among Iraq's more than eight million head of livestock of various kinds. What makes this prospect more alarming still is the fact that most of these animal diseases and epizootics are transmissible to human beings. The danger is not confined to Iraq: it also menaces Iraq's Arab and non-Arab neighbours. Furthermore, it seems probable that one or more of these diseases or epizootics will be one that has never previously been known to occur in Iraq or the region, as in the case of the old world screw-worm infestation after the first Gulf War. The Arab Organization for Agricultural Development (AOAD) continues to combat these diseases, as it has always done, through a project expressly developed for the purpose, one that covers not only Iraq but all the countries of the Gulf Co-operation Council plus Jordan, Syria and Iran.

Many animal diseases, including insect-transmitted diseases that also affect human health, are expected to become widespread in the absence of immediate preventive measures: foot-and-mouth disease, sheep pox, goat pox, small ruminant pest, rhinitis, infectious bovine tracheitis, rinderpest, brucellosis, tuberculosis, anthrax, bovine theileriasis, mycoplasmal mastitis in cattle and Crimean haemorrhagic fever.

It is the view of the AOAD that the following measures are essential in order to mitigate the hazards arising from the anticipated spread of animal disease pathogens:

1. Supplies of serums and vaccines for all the above-mentioned diseases should be made available for the preventive vaccination of livestock, and treatment should be initiated immediately in the event of any outbreak of disease.

2. All veterinary clinics should be rehabilitated, and medical supplies and qualified staff for them should be made available, with a view to livestock vaccination, detection of any outbreak of disease that may be reported, and immediate treatment measures in the event of such an occurrence. In this connection, the AOAD emphasizes that it is essential for Arab and international organizations and States bordering on Iraq to co-ordinate their efforts and to co-operate in carrying out these tasks.

II. Spread of agricultural plant pests:

Iraq's crops are at risk from a number of hazards as a result of the present situation, notably its grain crops, which at this season are planted over an estimated four million hectares of the country's land, its dates, of which approximately 900 000 tonnes are produced annually, its vegetable crops, which are planted over an area of approximately 352 000 hectares and yield some 4.2 million tonnes, its fruit crops, its olives, and other crops.

In the absence of treatment campaigns or programmes, it is entirely likely that Iraq's grain crops and dates will be attacked by a number of serious insect pests, including in particular:

1. The Hessian fly, which attacks standing wheat and barley. In past years it has usually been controlled with insectides sprayed on a wide scale from crop-dusting aircraft; the spraying campaign was organized by the Iraqi Ministry of Agriculture in co-operation with the oil-for-food programme.

2. The date palm dubas and the red palm weevil, both of which attack the date palm. Control of these pests also requires a large-scale treatment campaign, with insecticide sprayed from the air on all date-growing areas. In the absence of timely spraying, the date harvest is likely to sustain heavy losses, the effects of which will be felt for years.

In the present situation, the spraying is unlikely to be performed, since it requires civilian aircraft, insecticide, and an organized administrative structure. None of these factors will be available in the absence of support and assistance from international organizations. The AOAD will be able to contribute by supplying in-kind emergency assistance in the form of insecticide once the country's immediate needs have been estimated.

III. Destruction or loss of stocks of supplies and equipment required for agricultural production and related services:

Anticipated losses from these factors include the following:

- Destruction or loss of supplies and equipment for agricultural production;
- Destruction or loss of insecticides required for agricultural pest control;
- Destruction of stocks of antibiotics.

Inevitably, in the absence of these production inputs, Iraq's agriculture will be crippled in the coming season. Outbreaks of disease affecting the entire region are a distinct possibility.

The AOAD proposes the development of an emergency project whereby it will help provide basic agricultural production and pest prevention supplies, after Iraq's critical needs in that area have been precisely determined, in co-operation with various Arab, regional and international development agencies and funding sources.

IV. Environmental contamination:

1. Contamination of water:

The quantity of surface water available to Iraq is estimated at 44 billion cubic metres. The country's major rivers—the Tigris, the Euphrates and the Shatt al-Arab—are all contaminated, and the result is likely to be the death or contamination of large quantities of fish. This is a serious situation in view of the importance of fish as a natural resource and the potential threat to public health, and consequently it is essential for Iraq to join forces with the neighbouring States that share the Tigris/Euphrates drainage basin in a co-operative effort aimed at increasing the flow in those two rivers so that most of the contaminants will be washed down to the Shatt al-Arab and thence to the sea. Needless to say, this contamination is a hazard for more than fish habitat: it is also a hazard for drinking water, water consumed by animals, and water used for irrigation purposes.

The AOAD proposes that its experts should co-operate with Iraqi experts and those of other relevant international organizations, notably the World Health Organization, to identify water contamination conditions and locations in Iraq and determine the country's needs in this area.

The AOAD also proposes that it should begin immediately to implement an information programme designed to make Iraqis aware of these hazards, inasmuch as they represent a potential threat to their health and the health of their livestock.

2. Contamination of soil:

This is a major hazard that can be dealt with only by means of long-term programmes in co-operation with all relevant bodies, including specialized regional and international organizations, reconstruction programmes and international support from the United Nations.

3. Contamination of the air:

This is a problem that will have an impact on human health, the health of animals, and Iraq's woodlands and wildlife. In particular, it will have an immediate direct impact on honeybees, which are highly sensitive to smoke from fires of all kinds. This situation calls for beekeeping activity rehabilitation projects in co-operation with relevant local organizations and agencies.

V. Loss or destruction of standing grain crops:

Iraq's winter grain crops, notably wheat and barley, which are now standing in the field, may be at risk of disaster because they have to be harvested at once, beginning in the present month in southern Iraq and proceeding toward northern Iraq during July. This situation calls for immediate intervention by all relevant bodies.

In the light of the above, the AOAD proposes the following implementational mechanisms and measures:

1. A joint technical mission made up of experts from the AOAD and other relevant bodies to be sent to Iraq to determine the scope, sectoral distribution and locations of damage that has occurred. This must be done without delay, with co-ordination by the LAS Secretariat to facilitate the work of the mission.

2. AOAD to prepare special emergency project documents with a view to addressing the potential hazards in the areas of Iraq's agriculture, environment and population in the light of the findings of the field reports submitted by the technical mission.

3. Action to muster support and funding for immediate implementation of these projects from Arab, regional and international institutions and international programmes for the reconstruction of Iraq, in co-ordination and co-operation with regional and international organizations whose mandates include agricultural and environmental issues.

Report by the Organization of Arab Petroleum Exporting Countries

Possible action by OAPEC in support of Iraq

The Organization of Arab Petroleum Exporting Countries (OAPEC) was founded in 1968 as a specialized regional inter-governmental commodity organization under an agreement concluded, outside the framework of the League of Arab States, among oil-rich, oil-exporting Arab countries. The aims of the

Organization are to foster co-operation among its members and unify their efforts in pursuit of optimal development of all aspects of the petroleum industry, to enable members to benefit from their natural resources and implement projects of common interest, and to create an integrated petroleum industry through Arab economic integration.

OAPEC's three founding members were the Kingdom of Saudi Arabia, the Socialist People's Libyan Arab Jamahiriya (at the time the United Kingdom of Libya) and the State of Kuwait, which was selected as the seat of the Organization. Eight other Arab States subsequently joined OAPEC at various times, including the Republic of Iraq, which became a member in 1972. As a member, Iraq participated in the annual meetings of the Ministerial Council, which is the Organization's supreme authority and, as such, responsible for drawing up its general policy, directing its activity, and laying down the rules governing it. Iraq also participated regularly in the work of OAPEC's Executive Bureau, which assists the Ministerial Council in supervising the Organization's affairs.

A glance at the present situation of the oil industry in Iraq reveals that the petroleum sector is in a better position to undertake its own rehabilitation than other sectors, since it was comparatively lightly damaged as a result of military action and subsequent looting and vandalism. Only 10 producing wells were set on fire, out of a total of several thousand, and it appears that they generally escaped looting and vandalism, in contrast to the Northern Oil Company and the Southern Oil Company. Furthermore, the Ministry of Petroleum in Baghdad was not burned, unlike other Government Ministries, and the country's production facilities and pipelines were left largely intact, as were the three main refineries: Bayji in the north, Dawrah in the central part of the country and Basra in the south. The most important factor is that there are approximately 45 000 Iraqis who are employed in the petroleum sector in various capacities, and this will facilitate the reactivation of that vital sector once the political situation has become stabilized and a legitimate Government is in place. We may note at this point that some sensitive production and refining facilities are urgently in need of modernization, in some cases because of bombing in 1991 and in general because of the sanctions regime that was subsequently imposed on Iraq. Fortunately, much of the capital required for this purpose will be available in the escrow accounts managed by the United Nations under the oil-for-food programme; the petroleum sector's share of those funds is $3.1 billion. Iraq's proved reserves, incidentally, are 115 billion barrels, and may ultimately amount to as much as 370 billion barrels, according to estimates that have recurrently appeared in specialized oil industry publications.

Before the war, the output of Iraq's oil fields was approximately 2.6 million barrels per day. Of that quantity, Iraq kept 500 000 barrels for its own use, while the rest was earmarked for export. But Iraq's exports are currently at a standstill pending repairs to transport facilities for its southern oil, the opening of the Iraq-Syria pipeline, which was shut down by the United States forces, and the resumption of the pumping of Iraqi oil to the Turkish port of Ceyhan. At Ceyhan, the storage tanks are full, owing to the unwillingness of world oil companies to accept and ship Iraqi oil in the absence of an authorization to sell issued by SOMO, Iraq's State Oil Marketing Organization.

The international legal situation is the most important factor in the resumption of Iraqi oil exports, and the main prerequisites are that there must be an

internationally recognized national Government in place, and that the United Nations resolutions imposing economic sanctions on Iraq and the demands and compensation approved by the Security Council must be rescinded. Iraq's only recent oil exports that were not subject to confiscation were those that were deemed lawful because they were shipped under the oil-for-food programme. The development of new fields, for its part, is awaiting the outcome of a review of the legality of contracts signed by the previous Iraqi Government with a number of State-owned oil companies based in the Russian Federation, China, France, Italy and Spain, among others.

The foregoing is a summary of the present situation of the petroleum industry in Iraq. The question now arises as to what OAPEC can usefully do to help Iraq at this time, if it is asked for assistance by a recognized national Iraqi Government. Iraq, as we have seen, is a member of OAPEC, and consequently the Organization can provide it with assistance in the context of the exercise of its normal activities, in accordance with the spirit and the letter of the founding agreement, on an equal footing with other member countries. Facilitating factors may be that, as noted earlier, Iraq's petroleum sector has been left largely intact, and that the country possesses vast quantities of oil, besides substantial reserves, and also a pool of highly skilled and qualified scientific personnel and managers.

OAPEC has identified two areas in which it may be able to make a useful contribution. In the first place, it can provide co-operation and co-ordination to serve its member countries, as, for example, by exchanging data, organizing specialized seminars at which experts from member countries interact with other experts, developing solutions to technical and technological problems confronting the oil industry in member countries, and engaging in information and documentation activities.

In this context, OAPEC can provide Iraq with data and information from its databank, and can support it by supplying any Secretariat publications that it may request. The Organization can also make books, periodicals and reference materials from its library available, at Iraq's request, it can participate with technical work teams in addressing technical problems pertaining to exploration, production or any related industries, and it can prepare studies on the country's oil industry.

In the second place, OAPEC can take advantage of the commercial firms it has established over the years. These include: the Arab Maritime Transport Petroleum Company, based in Kuwait, which provides hydrocarbon transport services of all kinds; the Arab Shipbuilding and Repair Yard Company, based in Bahrain, which builds, repairs and maintains all kinds of ships, tankers and other marine transport vessels designed to carry hydrocarbons or other freight; the Arab Petroleum Investment Corporation, based in Saudi Arabia, which contributes investment capital for petroleum-related projects and industries, and for various ancillary activities related to such projects and industries; and the Arab Petroleum Services Company, based in Libya, which provides services required by the oil industry. Iraq, we may note, participates in all these companies, which are, however, independent entities with their own boards of directors. Iraq might explore opportunities for making constructive use of these companies or their subsidiaries, such as the Arab Drilling and Workover Company, based in Libya, which carries out both on-land and undersea drilling and well maintenance operations, drilling for water as well as for oil and performing other technical operations relating to drilling,

the Arab Well Logging Company, based in Iraq, which specializes in well logging operations and the discovery and development of oil fields, the Arab Geophysical Exploration Services Company, based in Libya, which conducts geophysical surveys, and the Arab Detergent Chemicals Company, based in Iraq, which has three production lines in its linear alkyl benzene complex.

In addition to these companies, the Arab Petroleum Training Institute, which was founded by OAPEC and is located in Iraq, is well placed to contribute effectively to the preparation of trainers, technical personnel and managers in various fields of the oil industry. The Institute also conducts studies and research relating to productivity and training and education methods. In a word, we believe that OAPEC is in a position to play its natural role in helping Iraq through the regular activities of its Ministerial Council, of which the Iraqi Minister of Petroleum is a member.

Report by the Arab Industrial Development and Mining Organization

1. Industrial and mining surveys
2. Technical assistance to existing industries
3. Training for technical managerial personnel working in industrial facilities by organizing specialized training courses, and specific industrial training
4. Feasibility studies and diagnostic studies on industrial projects
5. Industrial data
6. Norms and standards
7. Studies on upgrading productivity in existing industrial establishments
8. Support for the private industrial sector
9. Assistance with the rehabilitation of the electricity sector
10. Support for traditional industries
11. Assistance with the rehabilitation of the communications sector
12. Support for research centres and technological development in the industrial sector

Accept, Sir, the assurances of my highest consideration.

(Signed) Talaat **Bin Zafir**
Director-General

Report on the eleventh meeting of the 2003 Co-ordination Committee, Monday 21 April 2003

On instructions from Mr. Talaat Bin Zafir, Director-General, the Co-ordination Committee held its eleventh meeting at 10 a.m. on Monday, 21 April 2003, to discuss what projects AIDMO, as a recognized centre of excellence, might usefully undertake in post-war Iraq in its fields of competence. Suggestions in that connection would be forwarded to the Secretariat of the League of Arab States

(LAS) with a view to the preparation of a unified report to be submitted by the LAS to the United Nations, pursuant to an agreement reached at a meeting held at the Headquarters of the LAS Secretariat on 20 April 2003, with Mr. Amre Moussa, Secretary General of the LAS, in the chair and the heads of the Joint Arab Action institutions in attendance.

The meeting of the Co-ordination Committee was chaired by Mr. Basim Abu Sheikha, Director of the Department of Administrative and Financial Affairs. The following persons were also present:

Mr. Abd al-Munim Muhammad Mahmoud, Director, Industrial Data Centre

Mr. Ahmad Abbas, Director, Department of Consultancy and Industrial Development

Mr. Al-Munir Abu Sabia, Director, Department of Mineral Resources

Dr. Muhammad al-Hawari, OIC, Department of Studies and Industrial Integration

Mr. Mahmoud Khasawina, Senior Director, Norms and Standards Centre

Mr. Ahmad Taha, Office of Planning and Follow-up

The participants expressed their views on how AIDMO might most effectively contribute to the task of rebuilding Iraq after the destruction it had sustained as a result of the war. They emphasized that no plan could be feasible in the absence of a central authority in Iraq with which AIDMO could work. The first step must be a comprehensive survey of the situation in the fields of industry, mining and standardization, as it was essential to identify Iraq's needs in those fields.

The Committee suggested that AIDMO should participate in the realization of projects that had been agreed upon at the tenth meeting of the Committee, which are listed below. Each Department or Centre was requested to prepare a memorandum dealing with whichever of those actions fell within its area of competence, setting forth in each case:

1. Objectives
2. Justification
3. Project description
4. Outputs
5. Estimated costs

And submit the memorandum in question to the Office of Planning and Follow-up not later than Thursday 24 April 2003. The projects and the respective Departments and Centres were as shown in the table below.

	Project	*Dept. or Centre*
1	Assistance with industrial and mining surveys and with mineral exploration and mining extraction operations in Iraq	Department of Consultancy and Industrial Development
2	Technical assistance for existing industrial facilities in various fields	Department of Consultancy and Industrial Development

	Project	*Dept. or Centre*
3	Training for managerial personnel employed in Iraqi industrial facilities through the delivery of specialized training courses, and specific industrial training	Department of Consultancy and Industrial Development
4	Preparation of initial feasibility, diagnostic and other studies on industrial projects	Department of Studies and Industrial Integration
5	Assistance with the rehabilitation of industrial research and development	Department of Consultancy and Industrial Development
6	Provision of industrial and technological data	Industrial Data Centre
7	Preparation of Arab and international norms and standards	Norms and Standards Centre
8	Studies on upgrading productivity in existing industrial establishments	Department of Consultancy and Industrial Development
9	Assistance to the private sector in Iraq, aimed at helping that sector assume an effective role in the rehabilitation of the country's existing industrial facilities and the execution of new projects	Department of Consultancy and Industrial Development
10	Assistance with reconstruction of the electricity sector	Department of Studies and Industrial Integration
11	Assistance with rehabilitation of the communications sector	Department of Studies and Industrial Integration
12	Support for the traditional industries sector	Department of Consultancy and Industrial Integration

Basim Abu Sheikha,
Director
Department of Administrative and Financial Affairs

Approved by
Talaat Bin Zafir
Director-General

Name of project: Industrial and mining surveys

Objectives:

- Investigation of the present industrial or mining situation in Iraq;
- Identification of obstacles to development of the industrial or mining sector, and proposals for appropriate solutions for addressing those obstacles;
- Identification of a number of new investment opportunities;
- Modernization of available databases.

Justification:

- No industrial or mining surveys have been conducted in Iraq for a long time now as a result of the sanctions regime that has been in place since 1990.
- Destruction of significant numbers of industrial facilities as a result of the recent war.

Project description:

This project will be implemented in collaboration with the competent authorities in Iraq in a number of phases, as follows:

- Phase I: design of survey forms, selection and training of enumerators, formation of survey teams, field distribution, collection and compilation of forms, and classification and analysis of statistical data.
- Phase II: Presentation and elucidation of matters relating to study of the data, extraction of indicators, the preparation of sectoral studies and data analysis; development of future-oriented industrial growth policies and strategies, identification of investment opportunities, preparation of industrial files relating to those opportunities, and determination of an implementation schedule.

Project outputs:

- Training for Iraqi managers in the preparation and modernization of industrial and mining surveys;
- Comprehensive surveys of various industrial sectors;
- Selected sectoral studies;
- Identification of investment opportunities;
- Creation of modernized databases.

Estimated project cost: $1 million.

Proposed projects for implementation in Iraq to which the Arab Industrial Development and Mining Organization considers that it will be able to contribute, with cost estimates

	Name of project	*Estimated cost (US$)*
1	Industrial and mining surveys	1.000.000
2	Technical assistance for existing industrial facilities	700.000
3	Training for managerial personnel employed in Iraqi industrial facilities through the delivery of specialized training courses, and specific industrial training	800.000
4	Preparation of feasibility, diagnostic and other studies on industrial projects	3.000.000
5	Industrial data	2.000.000
6	Norms and standards	3.000.000
7	Studies on upgrading productivity in existing industrial establishments	800.000
8	Support for the private industrial sector	800.000
9	Assistance with reconstruction of the electricity sector	3.600.000
10	Support for traditional industries	800.000

	Name of project	*Estimated cost (US)*
11	Assistance with the rehabilitation of the communications sector	4.800.000
12	Support for research and technological development centres in the industrial sector	2.000.000
	Total :	**23.300.000**

Name of project: Technical assistance for existing industrial facilities

Objectives:

- Field technical consultancy services for a number of existing industrial and mining facilities, with a view to rehabilitating them and developing their performance.

Justification:

- Most of Iraq's industrial facilities are experiencing a host of productivity-related, technical and administrative problems as a result of the war and the sanctions.

Project description:

This project will be implemented as follows:

- Identification, in collaboration with the competent authorities in Iraq, of 20 industrial facilities to be targeted for study of their problems, and subsequent selection of appropriate specialists to conduct the necessary studies and develop appropriate solutions.
- Discussion of proposals emerging from these studies with persons in charge at the industrial facilities in question, and the preparation of plans for implementing those proposals.

Project outputs:

- 20 studies conducted in industrial facilities that are encountering problems in various areas (production, management, marketing, technical problems, etc.);
- Development of a number of work systems and indicators in the areas of production planning and control, materials, operation, maintenance, storage, costs, utilization of materials, quality, and so on.

Estimated project cost: US$700 000

Name of project: Training for managerial personnel employed in Iraqi industrial facilities through the delivery of specialized training courses, and specific industrial training

Objectives:

- Retraining of a number of technical personnel working under Iraqi industrial projects, with a view to upgrading their expertise and performance.
- Informing participants in training courses and programmes about the latest developments in their respective areas of specialization.

- Exchanges of expertise among participants, acquisition of awareness of the problems confronting them in their work, and the emergence of proposals for valid solutions to those problems

Justification

An acute shortage of trained and qualified technical personnel in the industrial sector and deterioration of the skills of those who remain, owing to the sanctions that were imposed on Iraq for a long period, together with the fact that many trained technical personnel have left the country.

- The need to catch up with modern scientific developments in industry

Project description

This project will be implemented as follows:

- Delivery of national specialized training courses for persons working in Iraqi industrial facilities in a number of fields, to be determined by the competent Iraqi authorities;

- Organization of specific industrial training programmes for a number of high-level technical personnel in relevant industrial fields to be determined by the Iraqi authorities that will benefit as a result.

Project outputs

- Delivery of 20 training courses in various areas;

- 100 high-level Iraqi personnel with specific industrial training in various branches of industry.

Estimated project cost

- Cost of training courses: approximately $500 000 ($25 000 per course);

- Cost of specific industrial training: approximately $300 000 ($3000 per trainee)

Total: $500 000 + $300 000 = $800 000

Name of project: Preparation of feasibility, diagnostic and other studies on industrial projects

Objectives

It is clear that the process of industrial reconstruction in Iraq must take many factors into account, notably repairs, rehabilitation and rebuilding, among others.

Accordingly, diagnostic studies of existing industrial plants are required, in order to determine the present state of those plants and identify necessary reconstruction measures. It will also be important to conduct feasibility studies on their technical rehabilitation, so that they will be able to go back into production with appropriate standards.

Justification

During the sanctions regime, Iraqi industrial projects were affected by numerous problems arising from the fact that spare parts and raw materials were not

available, to say nothing of the obsolete equipment in use, which did not conform to contemporary health, safety and environmental norms. As a result of these factors, many of those plants operated at well below their capacity or had to shut down altogether, including many plants producing items of basic necessity for ordinary people, such as food, clothing, medicines and building materials.

The recent war launched against Iraq by the United States and the United Kingdom, and the looting, vandalism and anarchy that were prevalent during the days immediately following the military assault, have resulted in the destruction of much of what remained of Iraq's industrial structure.

Project outputs

A number of diagnostic studies and feasibility studies on the most important branches of Iraq's industry, with a resultant positive impact on the production of food, medicine, clothing and building materials.

Estimated costs

Ten diagnostic studies at $50 000 per study = $500 000;

Ten feasibility studies at $250 000 per study = $2 500 000.

Name of project: Industrial data

Objectives

The project aims at the reconstruction of the Iraqi Ministry of Industry's main industrial data centre as well as subsidiary industrial data centres in industrial establishments in various sectors. It also aims to collect any relevant data and documentation on industry in Iraq that can be found at the local, regional and international levels through various organizations.

Justification

Owing to the war and the looting of various Iraqi ministries and other institutions, much data-processing equipment has been lost, along with the information it had contained, especially information pertaining to industry in Iraq. This equipment must now be replaced. This means purchasing new computers and modern systems, and it also means gathering as much information and documentation, especially on industry in Iraq, from local, regional and international sources, building a new database and inputting the accumulated data, and training the technical personnel who will be working at the centres in question.

Project description

The implementation of this project will comprise several phases, as follows:

- Preparation of an expert study on the current situation in Iraq as regards industrial data available to the Ministry of Industry and various industrial establishments;

- A search, to be conducted in collaboration with various bodies within Iraq and elsewhere, for information about industry in Iraq;

- Gathering of data relating to Iraqi industry from local, regional and international sources;

- Purchase of data equipment and systems required to rehabilitate Iraq's industrial data centres (computers, printers, scanners and photocopiers);
- Reconstruction of industrial data centres and equipment at the Ministry and various establishments;
- Rehabilitation and training of Iraqi personnel working in the field of industrial data.

Estimated cost: US$2 000 000

Name of project: Norms and standards

Objectives:

The aim of this project is to support Iraq's standards structure with a view to enabling it to resume its activity, not only within the country but also regionally and world-wide. The project also seeks to re-form the country's national standards committees to meet domestic needs with respect to the maintenance of its citizens' health and safety, and to facilitate trade in a framework of World Trade Organization (WTO) and Greater Arab Free Trade Area (GAFTA) agreements.

Justification:

The war of aggression that was waged against Iraq, the looting that followed, and the burning of Iraq's scientific and cultural institutions.

Project description:

- The Iraqi standards organization will be supplied with a comprehensive set of unified Arab standards and international ISO standards and International Electrotechnical Commission (IEC) norms;
- The Iraqi standards organization will be supported with a view to enabling it to apply the Agreement on Technical Barriers to Trade (TBT/WTO);
- The Iraqi standards organization's autonomy will be upgraded with a view to enabling it to participate in and contribute to standard-setting activity regionally (AIDMO) and internationally (ISO, IEC and the *Codex Alimentarius*);
- The Iraqi standards organization will be helped to apply international standards relating to systems of quality management, environmental management and qualifications for quality inspectors, with a view to making it easier for Iraqi exports to penetrate world markets;
- Iraqi personnel in the field of food safety will be trained in the Hazard Analysis and Critical Control Point (HACCP) system and how to apply it;
- A national interrogation system will be established, and use of the Internet will be encouraged as a means of seeking or acquiring information and finding answers to questions, with a view to Iraq's qualifying for accession to the WTO;
- A national system for approval of and accession to international agreements on mutual recognition of qualifications, conformity and accreditation will be established.

Project outputs:

- Activation of Iraq's standards committees, which will be enabled to prepare national standards that are in accordance with unified Arab standards and the corresponding international standards, and strengthening of the country's ability to participate in and contribute to international standard-setting activities;
- Activation and qualification of Iraq's issuance of certificates of conformity in the area of quality management and environmental management (ISO 9000, ISO 14000);
- Training for specialists in food industry monitoring and widespread use of the HACCP system;
- Establishment of a national interrogation system and Web sites on standards, technical conditions and conformity evaluation in Iraq;
- Establishment of a national authority for approval of and accession to international agreements on mutual recognition of qualifications, conformity and accreditation.

Estimated costs:

Implementation of this project will take three years. Yearly implementation costs are estimated at approximately $1 million, and the total project cost will therefore be $3 million.

Name of project: Studies on upgrading productivity in existing industrial establishments

Objectives:

- Identification of obstacles confronting various existing Iraqi industrial establishments and acting as a brake on their productivity;
- Proposals for valid solutions designed to overcome such obstacles;
- Enhancement of the competitiveness of products made by those establishments through lower production costs and attention to quality.

Justification:

The importance of upgrading productivity in the industrialized countries generally and in developing countries in particular arises from the fact that high productivity is the key to rising national income and growing social prosperity. The issue is particularly acute in the case of Iraqi industrial establishments because a long period of neglect, owing to successive wars and twelve years and more of economic sanctions, has left most of them with very low productivity.

Project description:

Implementation of this project will comprise the following:

- Selection, in cooperation with the competent Iraqi authorities, of 20 industrial establishments to be targeted for diagnostic studies, followed by the designation of qualified experts to conduct the studies in question, with a view to assessing the productivity of the establishments concerned, determining

major indicators, identifying problems and obstacles confronting them, and formulating suggestions for valid solutions aimed at upgrading their productivity;

- Discussion of these studies with managers at the industrial facilities concerned and preparation of plans to implement the recommended solutions.

Project outputs:

- 20 diagnostic studies on productivity
- Recommendations for work systems and approaches designed to upgrade productivity and make products more competitive.

Estimated project cost: US$800 000

Name of project: Assistance with rehabilitation of the electricity sector

Objectives:

Qualified personnel are essential in order to rehabilitate the various installations of Iraq's electricity grid.

Justification:

Iraq's electricity generating, transport and distribution system has been largely destroyed as a result of the bombing campaign that devastated every part of the country. In order to restore electrical power to people's homes, service industries and production industries, and thereby alleviate the hardships currently being endured by the Iraqi people and make basic necessities available to them, priority must be given to rehabilitation of all components of the grid.

Project description:

Fifty engineers and technicians from various Arab countries will be sent to Iraq for a period of one year to help their Iraqi counterparts rebuild the country's electricity grid.

Estimated cost:

Fifty individuals x $6000 x 12 months = $3.6 million.

Name of project: Support for research and technological development centres in the industrial sector

Objectives:

To determine the condition of industrial research and technological development establishments in Iraq, and to supply the necessary support with a view to their rehabilitation.

Justification:

- Iraq's infrastructure and facilities, including research and development centres in particular, have been extensively damaged as a result of sanctions and the recent war;

- Research and technological development are vital to Iraq's industrial development.

Project description:

- Implementation of this project will begin with diagnostic studies to determine the condition of research and technological development institutions and centres in Iraq's industrial sector, followed by identification of their rehabilitation needs;
- The second phase of the project will feature collaboration with Arab and international bodies in an effort to meet the needs of those institutions and centres insofar as possible.

Project outputs:

- Diagnostic studies;
- Identification of the rehabilitation needs of Iraqi research establishments;
- Action to meet the needs of some research centres and facilities.

Estimated project cost:

The cost of this project is estimated at approximately US$2 million.

Name of project: Assistance with the rehabilitation of the communications sector

Objectives:

In rehabilitating Iraq's communications sector, it will be useful to take advantage of the results of experiments conducted in various Arab States, including Morocco, Egypt and a number of the Gulf States, which have successfully modernized their fixed-line telephone systems, introduced mobile telephone service and established Internet connections, in most cases by opting for privatization.

Justification:

Iraq's communications sector has been almost totally destroyed as a result of military action. Communications are of critical importance, not only for military operations, but also for everyday life and for the functioning of economic and social institutions of every kind. Accordingly, if Iraq's economic and social structure is to be rebuilt and if its people are to be able to live under conditions of stability and security, it is essential to give priority to rebuilding the communications sector. It must also be modernized, incorporating world developments in the area of communications, data exchange, on-line publishing, mobile telephone systems and the like.

Project description:

Fifty communications experts from various Arab countries that are in the forefront of the communications field will be sent to Iraq for a period of one year to help their Iraqi counterparts determine the most important options available for building a modern communications system.

Estimated cost:

Fifty individuals x $8000 x 12 months = $4.8 million.

Name of project: Support for the private industrial sector

Objectives:

- To determine the condition of the private industrial sector and its role in industrial development, and to identify problems and obstacles confronting it;
- To determine prerequisites for the development of that sector, and to implement a number of projects in that connection.

Justification:

Recent economic and technological developments have induced far-reaching changes in Arab economic policies, underscoring the importance of activating and stimulating the role of the private sector and giving it a larger economic role to play, with a view to taking advantage of some of its most prominent characteristics: creativeness, persistence, willingness to accept a challenge, and flexibility in dealing with change. It is important to support the private industrial sector in Iraq, because successive wars and the sanctions regime have presented the country with numerous problems and caused it to regress.

Project description:

- Conducting diagnostic studies to determine the state of the private industrial sector and to identify problems and obstacles that are preventing it from taking off, then discussing the findings of those studies with relevant persons in Iraq, ultimately arriving at a work plan for activating the role of the private industrial sector and identifying opportunities for private-sector investment; organizing a number of training courses and seminars in that connection.

Project outputs:

- Five diagnostic studies on the role of private enterprise in leading industrial sectors;
- Two specialized seminars;
- Five specialized training courses;
- Five economic technical feasibility studies for five promising industrial projects.

Total estimated cost: US$800 000.

Name of project: Support for traditional industries

Objectives:

- To ascertain the condition of traditional industries in Iraq, and to identify problems and obstacles confronting them;
- To formulate proposals for appropriate solutions to such problems and obstacles;
- To upgrade the productivity of existing traditional industries in Iraq and to contribute to the task of developing foreign markets for them.

Justification:

In general, Arab traditional industries represent a rich cultural heritage that is a feature of various aspects of life. Their importance arises from their function as a factor in human, cultural, aesthetic and economic continuity. In the case of Iraq, these traditional industries and those employed in them have had their full share of problems and obstacles during the years of war and sanctions. Accordingly, AIDMO has developed this project, the aims of which are to study those problems and obstacles and devise solutions to them, having regard to the importance of traditional industries as a source of employment and a major contributor to national income.

Project description:

- Conducting sectoral studies on Iraq's traditional industries to determine their situation, identify problems and obstacles confronting them, and organize specialized meetings and workshops to discuss the findings of those studies, with a view to reaching agreement on appropriate solutions for the development of this sector;
- To follow up the implementation of those solutions in collaboration with the competent authorities in Iraq.

Project outputs:

- Diagnostic studies on the situation of six traditional industry sectors in Iraq and problems and obstacles confronting them;
- Six specialized workshops held to discuss the situation of the sectors in question and the proposed solutions to the problems besetting them, and a work plan for the development of these traditional industries;
- Training of a number of Iraqi managerial personnel working in this sector.

Project estimated cost: US$800 000

Report by the Arab Labour Organization

Proposals presented by the Arab Labour Organization (ALO) concerning possible immediate assistance to Iraq in the area of labour and worker issues

Following the extraordinary meeting with the Director-General of the League of Arab States on 20 April 2003, at which the participants considered what immediate assistance the Arab specialized organizations might make available to Iraq, we present below our views on action the ALO might be in a position to take as a contribution to the task of offsetting the heavy damage sustained by various public and private establishments in consequence of the aggression launched by the United States and the United Kingdom, the devastating effects of which are still being felt as this report is written.

1. Vocational training institutes

The Iraqi Ministry of Labour and Social Affairs formerly operated five vocational training institutes for specialists interested in conducting research on

labour and worker skills development. Of these five institutes, two were located in Baghdad, while the other three were located in major Governorates (Basra, Ninawa and Ta'mim).

As a result of the war, these institutes have been more than 75 per cent destroyed, along with their documents, facilities and equipment.

The task of getting these institutes up and running again and retraining their teaching staff will call for financial allocations for the purchase of supplies, equipment and training materials to replace those that have been destroyed. Furthermore, reinstatement of the country's commercial firms will require new, state-of-the-art equipment to replace the equipment that was formerly in use, and this will place an additional burden on the training institutes in order for them to meet the needs of the immediate future.

The ALO will be able to contribute enough to make a useful start on the work of rehabilitating these institutes on a temporary basis, with direct support in the amount of $200 000 for each of them. This will cover basic maintenance expenses and the cost of repairing damaged equipment and replacing destroyed equipment.

2. Institutes and centres for rehabilitation of the disabled

There are 24 of these centres in Baghdad and elsewhere in the country, including institutes for the deaf and dumb, blind and physically disabled, as well as those for persons with motor disabilities and the emotionally disturbed. These centres have sustained fully as much damage and devastation as the vocational training institutes, and consequently they are in urgent need of financial assistance for the purchase of supplies, equipment, etc. that will enable them to carry out their humanitarian mission. We may note, in addition, that the centres, in their present reduced state, are confronted with a greatly expanded clientele as a result of the war that the United States and the United Kingdom launched against Iraq: the weapons used in that war have left many people with disabilities of all kinds.

In this situation, we propose to provide immediate support in the amount of $100 000 for each centre, to enable them to resume their work, albeit at a minimal level.

3. Coping with unemployment

As a result of the sanctions that were imposed on Iraq for over 12 years, combined with the impact of the United States and United Kingdom aggression, the problem of unemployment has greatly increased. No statistics or indicators on the labour market situation in Iraq are currently available, and consequently it is essential to establish a data and information centre to monitor unemployment, develop labour market indicators and identify training needs. The task of getting such a centre up and running would require an initial $250 000. This amount would be enough to enable the centre to make a useful contribution to labour market organizational planning, and to the work of orienting labour researchers and directing them to the various institutes and centres providing training and professional qualifications.

In the view of the ALO, it is essential to provide the forms of assistance listed below to all social partners in Iraq, including labour management organizations, businessmen's organizations and workers' organizations:

1. Full documentation relating to Arab and international labour standards;

2. Assistance for the reconstitution of archives at institutions whose archives have been destroyed, both in Baghdad Governorate and in the country's other governorates. This assistance should include computer equipment and training in its use;

3. Training courses for persons working in the field of labour management and union organization, the participants to be supplied with Arab and international legislation and basic systems regulating the work of such organizations;

4. Specialized courses for workers' and businessmen's organizations as soon as they have embarked on their functions of developing programmes relating to occupational health and safety, rehabilitation of disabled persons, vocational training, labour legislation, worker culture and other matters, with a view to enabling the relevant persons in those organizations to perform their duties more effectively.

5. A policy of instructing the ALO's associated centres and institutes to give priority to the implementation of as many activities and courses as possible, with a view to enabling persons in the field of labour management, labour organizations and businessmen's organizations to perform their duties more effectively.

The cost of these programmes for immediate implementation is estimated at $250 000 ($50 000 for each of the five items listed above).

Total amount required for support sufficient to meet urgent fundamental needs

Activity	*Amount ($)*
Vocational training institutes and centres	1 000 000
Institutions for rehabilitation of the disabled	2 400 000
Data and information centre	250 000
Labour management training and training for businessmen's and worker's organizations	250 000
Total (three million nine hundred thousand dollars)	**3 900 000**

Report by the Arab Administrative Development Organization

A plan for administrative reconstruction and development in Iraq presented by the Arab Administrative Development Organization

The Arab Administrative Development Organization (ARADO) has no doubt that in addressing the Arab world's social development needs, the way forward is to continue to carry out high-quality administrative activities, and to convert to digitization with a view to effective administrative, social and data technology development in the Arab countries.

In view of the present situation in Iraq, which calls for concerted action by all concerned to provide the country with immediate assistance and a reconstruction project for the longer term, ARADO has adopted an integrated administrative development plan that relies on the Organization's pioneering leadership role as a centre of excellence in the Arab world. A summary of this plan will be found below.

I. Building the post-war administrative structure

Once peace has returned to Iraq, reconstruction will undoubtedly be required; in particular, new institutions will have to be established and central and local governmental administrations developed. We have an excellent opportunity to create a modern governmental structure to administer the country's development, far removed from the administrative and governmental problems that may have contributed to the outbreak of war. Clearly, it will be essential to develop a comprehensive vision of institutional adaptation for development and service delivery taking into account the process of economic policy reform, structural adaptation programmes, and the administrative capacity to deal with the technological change and evolution that is occurring world-wide. This applies to the Arab world generally and to Iraq in particular.

The ARADO plan includes a review of Iraq's institutional structure and a study of the functions of all units for the purpose of determining whether they are really necessary now or will be necessary in the future, with a view to a comprehensive shakeout aimed at retaining essential units with functions that serve some useful purpose, accompanied by a recommendation for the creation of supporting technical structures at all strategic governmental levels, such as the decision-making support centre, the central data structure, the administrative development centre and other structures of that kind.

The plan also makes provision for a scrutiny of the rules and measures that serve to organize the decision-making process, with a view to eliminating obsolete rules which impede that process. This will be followed by a review and evaluation of the match between every unit's human and material resources and the functions it performs, with a view to the modernization of skills and expertise by means of training and the formation of appropriate tools that will pave the way for quality administration. The project will be implemented in successive stages, as follows:

(a) Scrutiny of the general context of the organization of the State, with a view to assessing the working of the three powers (legislative, executive and judicial), their interrelationships, and coordination and collaboration among them;

(b) A study on and establishment of an administrative order that is ideally adapted to the situation of the Iraqi State, its political structure, the administrative relationships among the several powers, and the areas of competence of the various levels of government, both central and local, with a view to the establishment of new administrative forms and the creation of innovative technical structures in the areas of administration and decision-making;

(c) Planning for and development of the available human resources, with training and honing of skills, both theoretical and practical, applying to that end modern methods and approaches and operational programmes that are commensurate with national goals, to be implemented in a democratic climate that will foster participatory decision-making;

(d) Simplification and technological modernization of working procedures and administrative and financial methods, with a view to achieving faster results with less effort, time and money as a result of the use of state-of-the-art tools, programmes and innovative techniques in administration;

(e) Establishment of appropriate administrative systems, organizational structures and regulations designed to cope with change and the demands of administrative development as they evolve in response to world-wide technological change.

II. Activation of local government administration

Another feature of the ARADO plan is a comprehensive study of the system of local government, with a view to the modernization of its organizational structures and functions, social services, infrastructure and public funding. The object of this exercise is to support the decision-making process, enhance its effectiveness, and bring it closer to those who are affected by it in these local communities by creating participatory frameworks that will serve as an interface among different popular groups at the local level. The key elements of this programme are articulated around the following themes:

(a) A study of the existing system of local government aimed at identification of its positive and negative aspects, with a view to reinforcing the former and addressing the latter in accordance with the specific needs of individual local authorities;

(b) Emphasis on awareness of the need to support particular changes, and the extent to which this contributes to the creation of stable local government based on citizen participation and civil society institutions in regional development. One of the most important of these changes has to do with the extent of the authority granted to local government by the central Government, and financial support for local government in developing its particular region.

III. Identification of training needs/an integrated training plan

The training needs identification programme is designed to focus on employees who need training order to perform their duties with maximum effectiveness, and those who require preparation for the performance of functions that are not the same as the functions they now perform. The programme covers all administrative structures at all levels, and its intended outcome is a training plan that will serve to upgrade employees' skills. It will comprise:

(a) Training and development directorates in the central Ministries and other administrative bodies, and a survey of training needs, with a view to determining the number of persons who need training, and in what areas. Ultimately these data can be compiled to reflect training needs in every sector.

(b) The findings of the above-mentioned survey of training needs will be used to develop a comprehensive integrated plan for training of all kinds, including vocational training, technical training, engineering training and administrative training. The plan will be designed in accordance with the several administrative levels (senior administration, executive level and supervisory level), as a means of facilitating the organization of training courses that serve one level only.

IV. Guide for the use of Iraqi expert resources

With a view to taking maximum advantage of Iraqi skills, it will be essential to prepare a guide containing key information and data on Iraqi expert resources, both within the country and outside it, in order to assemble and compile that information and seek to turn it to account in the Iraq reconstruction programme as the opportunity arises. This procedure will take optimal advantage of the trained resources with high skill levels at Iraq's disposal. The development of this guide will include:

1. Preparation of forms for use in preparing the guide will be distributed to employees in all Government departments and agencies, and may also be sent to Iraqi embassies abroad for distribution to Iraqis living in the country concerned;

2. The programme will be put out over the Internet so as to be accessible to all. In addition, a limited number of copies of it may be printed to enable Government departments and agencies to keep it for reference purposes.

3. Establishment of a special body to be known as the "Skills agency", the function of which will be to communicate with Iraqi expert resources abroad and either invite them to return or discuss ways of taking of advantage of their skills and expertise.

V. Emergency training programme

(a) The ARADO's emergency training programme features intensive seminars covering selected topics the relevance of which derives from the current evolving situation in Iraq. These seminars would be attended by high-level administrative and professional personnel and would include:

1. Crisis management (1 week);

2. Activation of the institutions of civil society and their role in change management and Iraqi administrative development;

3. New roles for Government (2 weeks);

4. Upgrading the quality of Government services from an economic standpoint (2 weeks);

5. The art of coping with security-related innovations (1 week);

6. Strategies for securing facilities against terrorism and sabotage (1 week);

7. Integrated skills for the maintenance of security at establishments (1 week);

8. Hospital management and medical service quality (1 week);

9. Change and development management (2 weeks).

(b) Under these programmes, ARADO will also offer specialized training courses for every level in all sectors, including health, agriculture, industry and trade, and in civil society institutions. The aim of these courses will be to give trainees from every sector opportunities to understand the problems of that particular sector and to develop appropriate solutions.

VI. Consultancy services

In view of the importance of consultancy services and the role they play in enhancing the effectiveness and efficiency of administration in coping with change, ARADO will provide consultancy and technical advisory services for institutions and corporate bodies in the governmental (i.e. public) and private sectors and for civil society institutions. The object will be to reorganize and enhance the overall performance of the agency concerned and develop its data structure, technological resources and operational practices. ARADO will also make its services available in the field of administrative leadership development, with a view to taking maximum advantage of the available human resources.

VII. Plan for programmes leading to diplomas and professional qualification certificates in finance and accounting

To develop Iraq's human resources in the areas of administrative accounting, finance, cost accounting and financial auditing, ARADO will implement a set of professional diploma programmes that meet the standards of the most modern and most highly reputed scientific programmes. Qualified university instructors will be enlisted as teachers under these programmes. Approved certificates attesting to completion of a programme will be awarded. These programmes will include the following:

1. Programme leading to the American CPA (certified public accountant) certificate. The CPA certificate is internationally recognized and certifies that the holder is qualified in the professions of accounting and auditing.

2. Programme leading to the American CMA (Certified Management Accountant) and CFM (Certified in Financial Management) certificates, which attest that the holder is qualified in the field of management accounting and finance.

3. Programme leading to the CISA (Certified Information Systems Auditor) certificate, which attests that the holder is qualified in the field of machine information systems.

4. Cost accounting and management accounting diploma.

5. Financial auditing and review diploma.

6. Governmental accounting diploma.

7. Human resources management diploma.

Table showing proposed programmes and number of hours for each

No. of hours	*Training programme*
280	CPA certificate
360	CFM and CMA certificates
200	Intensive cost accounting and management accounting diploma
200	Financial auditing and review diploma
200	Governmental accounting diploma
200	Human resources management diploma
80	CISA certificate

VIII. Library rehabilitation and development

Not only have libraries in Iraq been extensively destroyed, but during the previous ten years they had been unable to obtain modern publications because of the sanctions regime and the wars that preceded it. ARADO regards the rehabilitation of this vital sector as essential, and in that connection proposes the following measures:

- Supplying university libraries (general library, libraries of colleges of management, economics and related sciences);
- Supplying State-run public libraries with books and periodicals in the fields of management, economics and other sciences with a bearing on development;
- Inviting Arab publishing firms to contribute to the task of supporting Iraqi libraries, both general and specialized, by sending whatever they can.
- ARADO will supply discarded books from its own library of 30 000 books in Arabic and 15 000 books in foreign languages.
- ARADO will seek to foster the development of Iraqi libraries and their conversion to the digital system, in line with recent world developments, and will provide training aimed at enabling their human resources to handle modern technology.

IX. Implementation mechanism for the Iraqi administrative rehabilitation programme

(a) In concrete terms, the activities, operations and structures making up the Iraqi administrative reconstruction programme outlined above will unquestionably require the establishment of a new Ministry, to be known as the Ministry of Administrative Development. This Ministry will comprise the structures and units specified below.

Ministry of Administrative Development

Training Directorate	Civil Service Directorate	Human Resources Directorate

Digital Management Directorate	Electronic Government Directorate	Management Systems and Structures Directorate	Research and Consultancy Directorate

(b) Establishment within each Ministry of a Directorate to be known as the Administrative Development Directorate which will be responsible for three activities:

a. Research and consultancy;

b. Training;

c. Digital management and information technology.

(c) In administrative terms, every such new Directorate will be part of the Ministry within which it has been established, but from a technical standpoint, all of

them will be part of the Ministry of Administrative Development. This arrangement will serve to foster coordination and integration in the implementation of this plan.

Report by the Secretariat of the Council of Arab Economic Unity

The role of the Joint Arab Action institutions in the reconstruction phase in Iraq

The role of the Council of Arab Economic Unity

With reference to the extraordinary meeting of Arab specialized organizations on 20 April 2003 on immediate assistance to the Iraqi people,

In the light of the papers presented at that meeting by some of those organizations,

Pursuant to the consensus reached at the meeting, the role of the Council of Arab Economic Unity (CAEU) during the reconstruction phase in Iraq may be summarized as follows:

I. Preparation of a comprehensive plan for economic rehabilitation in Iraq in the immediate future

Experience with planning in the CAEU member countries since the early 1960s has revealed many deficiencies and shortcomings, relating variously to the planning methods and techniques used, the implementation strategies adopted or the objectives of the plans in question.

Evaluation of that experience reveals clearly that the comprehensive approach which has commonly been adopted to implement development actions has run up against numerous difficulties. Many weaknesses have been apparent, most notably an insistence on pursuing a broad range of ambitious, large-scale, high-level, qualitatively outstanding objectives in the medium term, regardless of the resources available or the ability of the economy concerned to accommodate the projects.

Experience has also revealed that many plans have been weak in terms of their strategic and goal-oriented structure. Most of them have proved unable to withstand the impact of international crises and the resultant domestic problems. As a result, many important objectives in various countries' plans have been attained late or not at all.

In the light of the foregoing, and having regard to these developments and the internal and external problems confronting the Arab world, the CAEU Secretariat proposes to enlist the assistance of leading Arab and international experts in preparing a comprehensive development plan for the Iraqi economy during the next few years, one that will be commensurate with the requirements of successive phases in the desired transformation and rehabilitation process. The following objectives have been identified:

1. Investment that is optimal in terms of available economic and human resources with a view to achieving a high economic growth rate in various socio-economic activities.

2. Identification and finalization of economic investment priorities that are optimal in terms of available resources, both as regards development project selection and the geographical distribution of projects in order to raise living standards and serve the ends of justice. The private sector will be invited to participate in the economic development process, as the material resources and state-of-the-art technology available to segments of that sector could have a positive impact.

3. Establishment of a sound material basis for advancement of the national economy, and reduced reliance on limited sources of finance (notably oil). Transition from a one-sided economy to a developed economy built on the country's own resources and as such protected from the impact of circumstances connected with international relations.

4. Support for scientific and technological activities, with maximum emphasis on training and vocational skills acquisition for Iraq's labour force; development of trained managerial personnel possessing a high level of expertise. The means to this end will be joint training projects that serve these ends.

II. Preparation of a human resources development plan for Iraq

At present, the world is experiencing rapid change that may have a far-reaching impact on concepts of production, economic and social concepts, behavioural concepts, and the like. In particular, the final two decades of the twentieth century were marked by technological advances and what is known as the information revolution, illustrating the human brain's ability to create and innovate. These developments have led to an upheaval in the power relationships between different societies and changes in economic thinking and concepts and patterns of work. The wealth of nations has come to be measured by their ability to create and innovate, to organize, manage and control knowledge, and to design and distribute information and products, or, in other words, by their capacity to assimilate and master the components of technological evolution. This can be expressed in terms of the numbers of highly skilled personnel possessing expertise in many fields of specialization in any given society. The introduction and use of the technological revolution and the information revolution in the field of work and many areas of life may contribute significantly to a society's ability to overcome many problems and play an important role in upgrading production rates and product quality, besides introducing convergence, interaction and change within or between societies. In view of this situation, we feel that the developing countries, including the Arab countries, should strive to acquire modern technology and the components of technological progress, and should seek to use them in an attempt to reduce the yawning gap that separates them from the advanced countries and societies. This will enable them to adapt to the demands of globalization and international change, which are giving those who possess knowledge opportunities of imposing their domination and taking control of world markets in the face of stiff competition that makes quality mandatory first and foremost. Accordingly, the Arab countries must unite their efforts and devote more attention and energy to human development in general, and to the development of the labour force and to its employment in particular. The objectives of comprehensive and continuos development can only be achieved by people, and it is people who are the main link in the production process.

On this basis, the General Secretariat will cooperate with Arab and international organizations involved in arranging training courses and workshops to provide the trained and competent employees needed in Iraq and to enhance their technological skills in the service of the economic development of their country in the present phase.

III. Preparation of a humanitarian assistance plan through specialized Arab associations

It is well known that the Council of Economic Unity is the approved Arab umbrella organization for the group of 30 Arab specialized associations. CAEU provides them with support and sees to it that those associations play their part in Arab economic activities as a whole, ensuring that they are centres of Arab expertise and form a network and an effective instrument for the establishment of the Arab common market.

The specialized Arab associations are the non-governmental institutional framework for joint Arab activities. Their importance is confirmed by the fact that they are linked by special activities and are characterized by dynamism and flexibility in their work and by decision-making far removed from the bureaucracy of governmental agencies.

These associations are able to create databases in their own sectors of activity enabling them to assist the members of the association to be aware of the market conditions and the industrial situation of concern to them, to exchange views, data and experience among those working in the field of activity of each association and to discuss joint problems and find solutions to them. This ultimately gives rise to the coordination of policies in the areas of investment, production, marketing and pricing as well as providing technical and economic consultancy services for existing projects.

The associations also cooperate to ensure that they are equipped with the tools and other essentials that will permit production under the most favourable conditions, creating to that end common interests among their several projects.

In addition, the associations also provide services to their members in the fields of information, human resources development, training, research and development, the preparation of feasibility studies and exchanges of expertise with a view to forging closer bonds among them and striving to achieve economic integration among Arab countries by performing different tasks and specializing in different areas.

In this context, the CAEU secretariat will invite the associations to give thought to the question of what they can make available to the Iraqi people during the reconstruction phase in their several fields of competence. The following measures are suggested:

1. Preparation of human resources development, training and capacity-building programmes with a view to upgrading the skills of Iraqi workers and familiarizing them with the latest technological innovations, and also the organization of training programmes and specialized workshops;

2. Research and economic feasibility studies on prospective projects in Iraq;

3. Implementation of new projects and extension of existing projects;

4. Development of solutions to technical, trade-related or other problems presented by Iraqi counterparts;

5. Provision of resources, equipment and other necessities required during the reconstruction phase;

6. Provision of skilled technical and managerial personnel to meet Iraq's needs.

IV. Promotion of investment projects in Iraq

The CAEU secretariat has received a list of investment projects that Iraq has indicated it would like to see promoted. To that end, the secretariat has prepared an investment chart, and intends to promote the projects there shown by putting out information about them via the Internet for the benefit of any interested parties.

Secretariat of the Council of Arabic Economic Unity

Report by the General Union of Chambers of Commerce, Industry and Agriculture for Arab Countries

Impacts of the war on Arab economies and the role of businessmen in reconstruction

Working paper on the main topic presented at the ninety-fourth session of the Council of the General Union of Chambers of Commerce, Industry and Agriculture for Arab Countries

Manama, Kingdom of Bahrain
11-12 May 2003

Introduction

The General Secretariat, aware as it is of its responsibility for monitoring the impact of the war in Iraq on the Arab economies, has studied and continues to study that impact and the various effects of the war. The starting-point of that task must be to evaluate the losses sustained by the private sector, and the role that that sector can play in making good those losses and furthering the reconstruction process. This working paper is an initial attempt to determine the losses caused by the war and what can be done, in economic terms, to address the resulting challenges. The General Secretariat proposes to continue to track the economic impact of the war and to seek means of offsetting it in an effort to achieve economic stability in the Arab region. In that connection, it presents an integrated project for implementation in the context of the Greater Arab Free Trade Agreement (GAFTA).

By way of background to the above presentation, we may note that social and human consequences are an invariable concomitant of the economic impact of war. This issue is discussed briefly, in general terms, in Part I of this working paper, and an attempt is also made to elucidate the damage inflicted on Iraq as a result of the war. Part II deals with the immediate impacts of the war on the Iraqi State, while Part III considers the role of Arab businessmen in dealing with those economic impacts, and what can be done to reactivate the Arab economies and further the

process of Arab economic integration. Part IV concludes with a look at Iraq's current economic needs and the issue of the country's reconstruction.

I. Economic impacts of the war

Every war, of course, has destructive economic impacts, and in many cases economic factors may have been the cause, overt or covert, of the war. War consumes economic resources that might otherwise have been used for purposes of production, socio-economic progress, or even political progress. Furthermore, war may take only a few days or weeks to wipe out human and financial capital that has been accumulating over years or decades, to say nothing of the fact that war adversely affects people's physical and emotional health and the environment. Consequently, it is difficult to remedy all the negative effects of war.

Owing to the fact that everything in the world is interconnected, which has become the hallmark of our age, the economic effects of war now impact on all countries. Stock markets everywhere rise or fall because of the speed of communications and the fact that contemporary banking and financial facilities make it possible for capital to move between countries. Investment decisions are deferred because of uncertainty and the lack of assurance that the investment will be profitable, and this creates economic stagnation and sluggishness, with the result that employment and income are affected, and hence spending and markets. At the same time, war drives up the prices of indispensable raw materials, most notably oil, which is the lifeblood of the contemporary world.

War affects every country and region, beginning with the neighbouring countries because of its impact on the movement of production factors, goods and people, and means of transport. The sectors that are most immediately affected when war breaks out are those that are connected to the outside world, such as oil, tourism, air and sea transport, including export shipments, and foreign investment. This downturn in economic activity has a negative impact on the performance of the economy, including gross domestic product and the country's balance of trade. The tourism sector, which has come to be of great economic importance worldwide, is hit hard almost immediately by the outbreak of war, with its attendant instability and insecurity, and this may have a further negative impact on economic activity. Even epidemics, like the current outbreak of SARS, may adversely affect the tourist industry and cause serious economic damage.

It is no easy matter to determine the losses that will result from the war in Iraq. However, it is clear that those losses must be very substantial, considering the devastation of the country's facilities, infrastructure, public institutions and economic, health, educational and service structures. Even Iraq's ancient cultural heritage has not been spared, to say nothing of the blow that has been struck at the sovereignty of this Arab country and the suffering that has been inflicted on its people. It is noteworthy that studies published in every part of the world have dealt with the cost of the war and military operations and their impact on the world economy, without mentioning the cost of the war to Iraq in terms of losses which can never be made good. Some studies published in the United States have estimated the cost of the war at $50 billion or $100 billion. But the actual cost may be much greater if we consider the cost of reconstruction, the rebuilding of Iraq's institutions, the possibility that the situation will remain much as it is for a protracted period of time, high oil prices, and other economic costs.

The fact that the war was over in a comparatively short time meant that the losses were less extensive than had been estimated earlier; however, this does not rule out the possibility of serious long-term economic effects. To illustrate: the cost of the second Gulf War was approximately $61 billion, but according to the Economic and Social Commission for Western Asia (ESCWA), cumulative losses between 1990 and 2002 totalled $600 billion, taking into account the regression in growth rates as a result of that war and the disappearance of between 6 million and 7 million jobs.

The war's other effects include the possibility that it may aggravate the currently weak state of the world economy in the course of the next few years. World Bank estimates indicate that the war on Iraq will lead to a decrease in anticipated world growth from 2.5 per cent, which economists regard as borderline between growth and recession, to 2.3 per cent in 2003, while growth in the euro zone is expected to decline from 1.8 per cent to 1.4 per cent, and growth in the United States from 2.6 per cent to 2.5 per cent. The International Monetary Fund, in its turn, has lowered its estimate for world economic growth in 2003 to 3.2 per cent, compared to 3.7 per cent last September, and its estimate for growth in the United States economy in that same year has also been revised downward to 2.2 per cent. According to the IMF, these low anticipated growth rates are attributable to the United States budget deficit, declining stock markets and the rising deficit in the country's balance of trade.

According to some analysts, an additional $75 billion for the war may seem a small enough fraction of the United States' total spending, but it is enough to affect the American economy in the long run, especially in view of the fact that the country's budget deficit may exceed $300 billion in 2003, bringing the national debt to $6.4 trillion.[1] This growing deficit is a factor that will exert significant downward pressure on the United States dollar, particularly since it is accompanied by a growing current-account deficit running at an average annual rate of $548 billion in the fourth quarter of 2002, according to Morgan Stanley and Co. The United States current-account deficit is equal to 5 per cent of the country's GDP. This raises the possibility that the United States will be unable to finance its current-account deficit (which requires nearly $2.2 billion per day, again according to Morgan Stanley), especially in view of recent trends in the country's stock markets and the fact that it has been difficult to restore confidence after a series of financial scandals. This enormous amount of money is more difficult to raise with the United States dollar at its current levels.

With investment in short supply, lending institutions will be unable to cover the shortfall in demand for liquidity to keep the economic cycle going. This will lead to a fall-off in consumption, with a resulting disparity between supply and demand that will be directly reflected as a recession in the industrial and service sectors, causing a rise in unemployment. Job losses are a potentially serious matter, one that could weaken American consumer confidence, and it is consumer spending that accounts for two thirds of GDP. The United States economy could then be

[1] Some sources have asserted that the United States public debt is more than 300 per cent of GDP, which would mean that the long-standing record figure for public debt has now been broken. The United States public debt reached 260 per cent of GDP in 1929, and this was a factor in the subsequent world financial crisis.

dragged into a vicious circle of unending recession, triggering a crisis that might well spread to the rest of the world.

Some observers have predicted a possible increase in demand for the dollar because the United States now controls Iraq's oil wells. However, as markets concentrate on the economic situation, the dollar will come under pressure again, and may be driven further downward. For the moment, the United States Administration is channelling most of its short-term investment, exceptionally, into defence industries, which are very high-tech industries and are reaping enormous profits. But yields from those profits, while they do reflect stock-market indicators, are restricted to only a small number of investors.

In the best case, analysts have suggested that oil prices may continue to fall, boosting consumer and producer confidence alike, and that this may bring economic growth back to its level of six months ago, i.e. slow growth. It is clear, at all events, that the overall impact of the war on the world economy will not be apparent until the war has been over for some time. For the first time, however, the dollar is not being regarded as a refuge for investors, and in contrast to what has happened in the past, when a decline in the value of the dollar has stimulated exports, the current fall, occurring as it is in a context of economic contraction, constitutes a serious disadvantage.

The World Bank report summarizes the Bank's view of the impact of the war on the world economy by noting that it has added a further negative factor to an economic situation that was weak to begin with. The report adds that, in spite of repeated efforts to stimulate the world economy, it continues to be sluggish. Interest rates in the United States have fallen to their lowest levels in 40 years. The Government has produced a plan to stimulate growth with a $550 billion tax cut over a five-year period, but the economic recovery has been very weak. And since it is the American economy that drives world growth, any negative impact on that economy as a result of the war will inevitably affect world growth as well. The European Commission has revised its estimates for economic growth in Europe downward, from 1.8 per cent to 1 per cent in 2003. Slower growth in the industrialized countries, of course, will have a negative impact on international trade and commodity prices, and this, in turn, will affect developing countries' products and their ability to take advantage of international financial markets.

Significant sectors of the world economy will be affected over the medium and long terms by the impact of the war, and this will mark a major turning point for many countries. One of the most important of those sectors is oil: United States control of the world price will weaken OPEC, dictate Russia's oil earnings, and threaten the economic policies of the industrial countries.

With the United States having a free hand to control Iraqi oil, it will be less dependent on other sources. The United States consumes approximately 18 million barrels of oil a day, which is 35 per cent of world production (75 million barrels a day); it imports 55 per cent of all the oil it consumes[2] (approximately 9.5 million barrels a day), and the quantity it imports is expected to increase by 70 per cent by 2025. The Gulf region, which possesses 65 per cent of the world's total reserves, is the only possible source of the necessary supplies. In a word, world demand for oil

[2] Thirty per cent of total United States imports of oil comes from the Gulf region at the present time.

is about to increase significantly. Assuming that American and British companies will enjoy special privileges with respect to Iraq's oil fields and reserves, the United States will enjoy a prominent position in the world oil market, and this will weaken OPEC and the oil-exporting countries.

It seems likely that Iraqi oil companies will be privatized, and that all contracts with foreign companies (Russian, French, Chinese and others) will be cancelled, despite the legal difficulties of that course of action.[3] United States and United Kingdom oil companies will seek to re-establish the control of Iraq's oil that they lost as a result of nationalization in 1972.[4] Beginning in mid-1990, those companies have been reverting to upstream activities, i.e. crude oil production, by putting pressure on oil-producing Governments to adopt production arrangements that give the companies a direct share in crude oil reserves. As a result of these concessions on production, oil power has passed from producing Governments into the hands of the companies. This means that the oil policy of the latter will influence oil production beyond the borders of Iraq. Production may shoot up, putting other oil producers under pressure to privatize their oil companies and grant other companies new concessions and production-sharing agreements.

In addition, large-scale production from Iraqi oil fields may result in pressure on the Arab oil industry. For a few years, Iraq may supply the bulk of the United States imported oil needs, provided Iraqi production can be stepped up to 10 million barrels a day by the end of the present decade. According to the Institute for International Energy Studies (IIES), Iraq's production capacity is likely to increase from its present level of 2.8 million barrels a day to 8 million barrels a day over the next nine years.

Meanwhile, OPEC's ability to control oil prices and production will be jeopardized:[5] Iraq represents the world's second-largest petroleum producer after Saudi Arabia. It is in OPEC's interest for the price of oil to be stable, but it is also in OPEC's interest for the price to be as high as is consistent with stability. Some observers believe that Iraq's production will be up to six or eight million barrels a day within the next five years, and this will compel OPEC to decide whether to cut production or to accept the fact that it has lost the power to set prices.

In view of Iraq's future funding needs and its heavy dependence on oil as a means of earning hard currency, it will undoubtedly adopt a policy of accelerated oil field development and production. The cost of bringing production up to 3.5 million barrels a day, the level at which it was running before the Gulf War, will be $5 billion. At the same time, Iraq will add production capacity amounting to 4.5 million barrels a day by developing its reserves, with the assistance of world oil companies, at a cost of some $30 billion over the next nine years. According to an IIES report, it will be feasible to begin production without delay, because all the

[3] There are 20 non-Iraqi oil companies that have development contracts and concessions in Iraq.

[4] Since nationalization in 1972, the major oil companies have lost much of the role they formerly played in production, i.e. what are known as upstream operations. They have been compelled to shift their activities to, and earn their profits from, downstream activities such as transport (pipelines and tankers), refining, petrochemicals and the like.

[5] The OPEC countries possess 75 per cent of the world's oil reserves, and 44 per cent of the United States' consumption consists of oil from those countries.

pipelines and pumping stations are currently in place, although they need to be further developed.

Over the medium term, this will result in lower crude oil prices, not only as a result of the free play of market forces, but because of political decisions, which will tend to favour a lower price, at any rate over the medium term. The United States is expected to apply a moderate policy, not allowing the price to rise above $20 a barrel. This will be desirable from the standpoint of Western countries' economies, as it will enable them to grow, and it will help offset the cost of the war and the rapid reconstruction of Iraq. In the event that the United States should decide that its economic health requires it to pump more oil in order to flood the market and drive the price down into the $15-18 per barrel range, OPEC will have no choice but to go along.

We may note at this point that by seizing control of Iraq's oil wells and increasing production, the United States has preserved the strategic position of the dollar vis-à-vis the euro and other currencies. At the same time, the United Nations and its specialized economic agencies may become marginalized, as may the WTO, as the stage is set for the free play of market forces that will give giant American corporations control of the world's economic capacities.

II. Impact of the war on the Arab countries' economies

1. The Iraqi economy and its situation

The war will inevitably affect the Arab countries' economies in a host of ways. To begin with, they will feel the effects stemming from the world economic situation, and more precisely the economy of the European Union, which is the Arab States' largest trading partner, and the oil price situation. Over and above these factors, however, the Arab countries will sustain losses as a result of developments in the Iraqi economy, and they will also suffer direct losses in the form of lost jobs, existing or potential, from declining trade and investment.

Iraq constitutes a major economic axis in the region, thanks to its abundant natural resources. Proved crude oil reserves in Iraq amount to 112.5 billion barrels, i.e. approximately 11 per cent of the world total, and the country's total reserves may ultimately be found to amount to 200 billion barrels; indeed, according to United States sources, the true total may be over 400 billion barrels. Iraq also possesses large natural gas fields containing an estimated 110 trillion cubic feet. At the present rate of production (approximately 3 million barrels a day), Iraq's oil reserves will last approximately 128 years, according to estimates published by British Petroleum in 2001. If production soars and massive investments in the oil industry materialize, Iraq will be able to continue producing oil for another 60 years or more, assuming no new reserves are discovered.

Iraq's oil is of good quality and easy to extract; the cost of production is the world's lowest, at between $1 and $1.50 per barrel. As a result, it is a very profitable product. At a price of $25 per barrel, and given the country's 250 billion barrels of proved reserves, assuming a production potential of 50 per cent, Iraq's oil is a resource worth $3.125 trillion. Assuming a production cost of $1.50 per barrel, the total production cost would be $188 billion, leaving profits of $2.937 trillion.

In addition, Iraq is blessed with a wealth of good farmland, thanks to its two rivers, the Tigris and the Euphrates. There are 24 million hectares of fertile arable

soil in Iraq. Agriculture accounts for 32 per cent of the country's GDP, according to 2001 statistics, and the value of agricultural products on a per capita basis is estimated at $1 075. Iraq's agricultural output grew by 5.3 per cent between 1990 and 2001.

Iraq also has immense mineral resources, with deposits of iron, chromite, copper, lead, gypsum and salts. It has sulphur and phosphate industries, and it would have been able to develop it industries substantially had it not been for the sanctions regime imposed by the Security Council on 6 August 1990. Managers, scientists and technocrats account for a substantial fraction of the country's total population of 25 million people, compared to the other countries of the region. Moreover, Iraq is important because of its ancient cultural heritage, to say nothing of its tourist attractions and its religious shrines.

In view of all these advantages, it is clear that Iraq has considerable economic strength. However, it is burdened with debt, which has accumulated over the years. There is reason to fear that the present burden of debt service may turn into structural problems which may be more than short-term. Iraq's debt, part of which goes back more than 40 years, totals somewhere between $103.5 billion and $129.4 billion, not including compensation payments. The United Nations has agreed on a figure of $43.8 billion, but there are compensation claims that are still pending in the amount of $197.4 billion.

The Center for Strategic and International Studies estimates the total value of Iraq's debt and liability for compensation at approximately $383 billion (other analysts have put the figure at over $400 billion, including capital, accumulated interest and compensation payments from at least two wars), broken down as follows:

- $199 billion for compensation claims arising out of the Gulf War, including $172 billion owed to Governments, corporations and institutions, and the remainder to individuals;
- $127 billion in foreign indebtedness, including $47 billion in interest and compensation;
- $57 billion under current contracts (in the fields of energy, communications and others), owed to Russia for the most part.

Iraq's GDP is estimated at $25 billion, most of it from the oil sector. This means that the country will be unable to meet the obligations that have been imposed upon it in the absence of an extensive debt rescheduling operation. If 50 per cent of Iraq's future income goes for debt service, it will take the country more than 35 years to pay it all off, even with growing oil exports. Iraq's debt-to-GDP ratio is more than 10 times the corresponding figures for Argentina and Brazil.

There is a dispute going on between the industrial countries over the question of Iraq's debt. As disagreement continues, the United States is exerting pressure on the World Bank, demanding that it should go into Iraq without having been authorized to do so by a United Nations resolution. There is general agreement that the Paris Club should address both issues, interest payments and debt payments, simultaneously in an attempt to determine the value of Iraq's obligations. The Paris Club is expected to forgive between 60 and 80 per cent of the debts owed to its members, amounting to $25.6 billion.

After the war and the devastation that it has left in its train, it is apparent that in the first place, the Iraqi people must be given all the humanitarian assistance that they need in order to survive. The rapid, massive decline in living standards must be halted, as must the steady deterioration in health conditions and educational services, the spread of unemployment and environmental contamination. Civilian infrastructures must be rebuilt, and the issue of enormous economic and social devastation must be addressed. It is essential for oil revenues to be spent on rebuilding civilian infrastructure, notably the electricity grid, sewerage systems and water mains. Institutions must also be rebuilt, and the Iraqi people's living conditions and health must be improved.

2. Impacts on Arab economies

The Iraqi market has been an important economic lever for the markets of the Arab countries during the past few years, and has softened the impact of economic stagnation, especially in neighbouring countries such as Lebanon, Syria, Egypt and Jordan. Arab companies naturally fear the prospect of alterations to existing contracts, such as may be undertaken by any new administration in Iraq, especially since Arab companies formerly enjoyed special facilities and preferential treatment under contractual agreements.

It is important to remember that under the oil-for-food programme, the Iraqi market constituted an important outlet and resource for many countries. The total value of contracts concluded with Iraq under the memorandum of understanding with the United Nations, from the time it first came into force until the time it ended in February 2003, amounted to $44 335 million, of which the United Nations approved $22 684 million, while the remainder consisted of contracts that were voided or put on hold in accordance with international resolutions or reservations on the part of the United States and the United Kingdom. Approximately $10 603 156 000 worth of food was imported under these contracts approved in the context of the programme, which was implemented in 12 phases.

Initial estimates indicate that losses sustained by Arab economies during the war may have been between $60 billion and $80 billion. These estimates, however, are unreliable, as they are not based on sufficient data. All that is certain is that heavy losses were sustained, and they might have been much heavier if the war had gone on longer. At the same time, there is no clear indication that the impact of the war has come to an end. The war has condemned the Arab region to watching and waiting and has delayed the process of investment and economic decision-making. Investments have undoubtedly declined, trade flows have slackened, and the prices of some imported commodities have gone up, inflicting many difficulties on the Arab economies, which were already suffering, and have continued to suffer, as a result of the events of September 2001. Various economic sectors are sure to be affected, including both production and service sectors, and unemployment may increase. Certainly tourism, transport and air travel have been adversely affected, along with the cost of insurance and reinsurance, and trade in all services is in recession, to say nothing of environmental damage and deterioration in hea'th care and social services.

Military operations have now come to an end, but the economic repercussions of the war continue to affect the countries of the region near and far. In many Arab countries, anticipated economic growth estimates are being revised downward following the various trade-related and economic losses that they have sustained, the

effects of which seem likely to drag on into the early part of next year. The IMF and the World Bank believe that the current economic crises may continue for some time yet because of the unclear situation in Iraq, jeopardizing prospects for growth in the Arab world and impeding international investment flows, which are now at very modest levels. As the war loomed, growth declined from 3.2 per cent in 2001 to 2.3 per cent in 2002.

The World Bank expects growth rates in the region to fluctuate between 3.4 per cent and 4 per cent annually during the period 2003-2005, compared to 4.7 per cent for the developing countries generally, owing to declining levels of exports, dwindling tourist earnings and continuing investor nervousness about the Arab region. As a result, some of the countries of the region may have difficulty in attracting the foreign investment on which they rely and consequently may be compelled to delay their structural reforms, including privatization programmes, infrastructure development projects and industrialization projects.

It is striking to note that, in contrast with what occurred in the second Gulf War, transfers made by workers, totalling $14 billion in 2002, were not adversely affected and to some extent compensated for the reduction in tourism in several of the Mediterranean Arab countries. The World Bank has identified four Arab countries with partnership agreements with the European Union whose growth will decline as a result of the war and its impact on tourism and on the flow of capital and foreign trade, namely, Egypt, Jordan, Tunisia and Morocco.

However, the Arab economies that had flourishing commercial and economic relations with Iraq, particularly the neighbouring countries of Syria, Jordan and Egypt, as well as some of the Gulf States, are likely to suffer a sharp short-term decline in trade flows after the war. According to the World Bank, the Jordanian economy, because of the high volume of its oil and non-oil trade with Iraq, and its dependence on tourist revenues, may not be able to achieve the expected estimated growth rate of between 5 and 6 per cent. The Bank estimates that Egypt will be affected less than Jordan although its potential losses may be between 1.5 and 2 per cent of its reduced GDP, in addition to the impact of the negative balance of payments which in net terms totals $1.5 billion. The losses of Lebanon and Syria as a result of the breakdown in trade with Iraq will be substantial.

With respect to the countries of the Arab Magreb, the growth rate may decline in Morocco by between 1 and 1.5 per cent and the balance of payments may lose between $1 billion and $1.5 billion. In general, the impact on the economic situation in Morocco and Tunisia will be less than in other countries despite the fall in tourist revenues and the drop in the volume of foreign investments, but they will both be adversely affected by the fall in demand in the markets of the European Union and the overall contraction of economic growth in the euro-zone countries. Morocco and Tunisia have strong trade ties with the States of the European Union amounting to 70 per cent of total exports.

The oil-exporting countries of the Gulf may see a reduction in their oil revenues owing to the reduction in OPEC quotas and stable oil prices at a time when those States are facing many economic challenges, including the need to provide for greatly increased employment and the necessary financing for the new generation of development projects, infrastructure services and industrial development. Similarly, the likely decline in oil prices in the short and medium term will also affect the non-

oil-producing Arab countries in the form of higher unemployment, a decline in aid from the Gulf States and reduced investment flows.

Given the new situation, we cannot rule out the possibility that the United States may become a major supplier of goods to Iraq, competing with the Arab countries, and that United States economic policy may seek to distribute economic roles and relations between Iraq and the other Arab countries in accordance with its objectives in the region.

The perennial problems will remain the same: declining oil earnings and faltering economic opportunities in an Arab world characterized by rapid population growth, grappling with the issue of how to accelerate the growth cycle, achieve sustainable development, cope with poverty and unemployment (which is expected to rise to 30 per cent), provide young people with jobs, diversify their industrial bases and catch up with the world economy. Over the medium term, however, new trade and business opportunities are expected to materialize in the context of the reconstruction of Iraq.

The war will doubtless affect different economic sectors in different ways. The main sectors will be reviewed individually in the following pages.

(a) Oil

Oil prices have fluctuated sharply. As the end of the war approached, they declined. By mid-April, the price per barrel had fallen by $10 in 26 days, only to rise slightly because of an anticipated cut in production by OPEC, which was trying to maintain the price of oil in the $22 to $28 range. OPEC fears that the seasonal decline in demand for oil in the second quarter of 2003 will lead to a greater drop in prices, which had fallen by a third since the outbreak of the war.

In general, the price of oil will remain steady with minor fluctuations, and consequently the importing countries' energy bill will remain relatively high this year. In the longer term, with the end of the war and the return of Iraqi oil to the market, prices may fall back to the vicinity of $20 a barrel. The World Bank is anticipating a 4.3 per cent increase in the price of oil in 2003, followed by a 19.2 per cent decline in 2004 and a further 4.8 per cent decline, reaching $20 a barrel in 2005. It is possible that prices will decline more steeply still if the world economy continues to stagnate. If so, there would be adverse economic repercussions for the oil-producing Arab countries.

The non-oil-producing Arab countries, Jordan and Syria, will be adversely affected as well, since Iraq formerly supplied them with substantial quantities of oil under special agreements.

Iraq is expected to begin producing 1.6 million barrels of oil a day within a month and a half. However, Iraqi oil will not reach foreign markets before the second half of June 2003, pending the establishment of contractual legal frameworks and the advent of an Iraqi local authority to handle the matter.

(b) Trade

One very serious negative economic impact on the Arab countries is the loss of the privileged trade relations with Iraq that they had developed in the course of the previous five years under the oil-for-food programme. This trade helped ease the burden of sanctions on Iraq, and at the same time it invigorated the Arab economies

concerned by stimulating their exports into a market that was thirsty for all kinds of commodities. Many light industries flourished, and production reached a value of $200 million. These relations ultimately developed to such an extent that agreements on free zones were announced, notably with Egypt, the United Arab Emirates, Lebanon and Syria. Lebanon's exports to Iraq accounted for approximately 40 per cent of all its exports, while the corresponding figure for Egypt was over 30 per cent and for Jordan it was 20 per cent. Much of this trade consisted of re-exporting and transit transactions (triangular trade). The value of trade contracts concluded between Syria and Iraq had reached $5.5 billion by the end of 2001. The value of Syrian exports for 2002 alone is estimated at approximately $2 billion. The value of Egyptian export contracts with Iraq was an estimated $4 billion. Lebanese export contracts, for their part, were worth nearly $450 million in 2002, while Jordanian exports were worth approximately $430 million (triangular trade). Much of this trade is now in jeopardy because it has lost its privileged position, especially now that the war is over. The Iraqi market will henceforth be open to world suppliers who produce high-quality goods at competitive prices, and this situation will be injurious to many Arab manufacturing establishments. Unless they are able to restructure their operations and become more competitive, they are likely to lose business and jobs, with resultant rising unemployment rates in the countries concerned. We may note here that much of this intraregional trade may actually have consisted of re-exporting transactions carried on by firms operating in various Arab countries to take advantage of the fact that under these trade contracts, Iraq was not required to specify the country of origin. Now that the war is over, the volume of such transactions is expected to fall off significantly.

(c) Tourism

The health of some economic sectors is extremely sensitive to war. Tourism had acquired substantial importance in the economies of the Arab countries, accounting for a growing share of GDP and providing many jobs. Earnings from the tourist trade and related services, in fact, had brought in $60 billion for the Arab countries, i.e. no less than 50 per cent of the oil revenues that accrued to exporting Arab countries. The war has had a negative impact on this sector: advance bookings for tour packages and hotel room occupancy rates have declined, and tourist agencies and hotel owners have lost money. Travel in the Arab region has fallen off by a factor of 40 per cent since the outbreak of the war. Air carriers throughout the world have sustained heavy losses as traffic has declined just as their fuel bills and insurance costs were rising because of war risks.

In the case of the Arab Maghreb, the tourist sector represents approximately 10 per cent of GDP. Many advance bookings for the major tourist destinations, such as Marrakesh and Agadir, have been cancelled, and there are fewer tourists. In Morocco, tourist-related activities support half a million jobs and account for approximately 7 per cent of the country's GDP, which is expected to decline by at least 2 per cent as a result of the current slump in those activities. In Tunisia, emergency measures have been taken in an effort to counter the anticipated impact of the war, notably in the tourist sector, which accounts for a quarter of the country's foreign exchange earnings. In Egypt, however, the hard-currency earnings foregone as a result of declining numbers of foreign tourists have been offset by earnings from Arab tourists.

(d) Insurance

As the region has turned into a high-risk zone, the cost of insurance and reinsurance has naturally risen. Kuwait has been hardest hit: insurance rates for containers entering the country either by sea or by air jumped by 2.5 per cent immediately upon the outbreak of war. Insurance rates for goods shipped by sea to Saudi Arabia have gone up by 0.95 per cent, while the corresponding increase for Qatar is 0.65 per cent, and for the United Arab Emirates and Bahrain, 0.25 per cent. War risk premiums on goods and shipping bound for Iran and Iraq were initially frozen, but some areas have subsequently been designated tariff-free, meaning that the insurance company can charge whatever rate it may deem appropriate; these areas include Yemen, Kuwait, Iraq and some ports on the eastern coast of Saudi Arabia. This rise in insurance rates as a result of war risk premiums has increased shipping costs, and hence the price of imported commodities and manufactured products. Shipping companies in the Gulf notified their customers that a surcharge of $65 would be payable for every standard 20-foot container carried from the United Arab Emirates to Kuwait, and a smaller surcharge for containers shipped from United Arab Emirates ports to Bahrain and the port of Dammam in Saudi Arabia. One result of this measure has been to turn the port of Dubai into a major transit point, increasing demand for small ships. Another outcome has been to increase demand for overland transport between the United Arab Emirates, Saudi Arabia and Kuwait to carry goods that have been come by sea as far as the United Arab Emirates. This has raised the value of cargoes to record levels: a container that ordinarily costs $600 to ship now costs $1300. The Arab War Risk Insurance Syndicate (AWRIS) has notified Egyptian insurance companies that its reinsurance rates will be adjusted upward as of 10 March, exerting upward pressure on transport costs and the price of goods.

(e) Labour

According to a report by the Director-General of the Arab Labour Organization, the war will have a severe adverse impact on the labour market in all production and service sectors. As many as 42 million persons (38 per cent of the estimated total labour force of about 111 million) in the Arab countries may find themselves out of work in consequence of the collapse of productive activities.

(f) Investment

With the war going on, decisions governing investment in many vital sectors have been deferred; a sense of security is a factor tending to encourage consumer spending by individuals and capital spending by corporations. With the outbreak of the war, experts were predicting that lost investment opportunities in the Arab region would amount to $200 billion, including $100 billion in the Gulf States. This situation will inevitably have an impact on Arab GDP growth rates.

Estimates indicate that the shadow of the war has fallen first on the influx of foreign investment, notably investment in the Gulf States. Many Arab and Gulf countries have put a temporary hold on investment decisions that had been planned in the context of joint projects. This new regression comes only a short time after the events of 11 September 2001, despite the efforts of Arab countries to improve the investment climate. It appears that Saudi Arabia is the most attractive country from an investor's standpoint, with 37.6 per cent of total cumulative investment in all Arab countries, followed by Egypt and Tunisia; these three countries accounted

for over 70 per cent of total investment in the Arab countries over the past decade. Investment in the Arab countries, however, represents no more than 1 per cent of all investment flows worldwide, and only 4.2 per cent of all investment in developing countries.

To be sure, large amounts of Arab and other capital began to flow out of the United States when the war against Iraq began, but most of it has gone to Europe, with the Arab countries securing only a small fraction of it, owing to the fact that the Arab banking sector and Arab financial markets are uncertain about their future.

Banking sources are saying that during coming period, the Arab countries, and more particularly the Gulf countries, will be compelled to offer more generous facilities to foreign investors, at a time when all countries are endeavouring to strengthen their legislative framework with a view to providing more guarantees and greater transparency in their dealings with capital. As countries compete more vigorously to attract investors, some of them will inevitably offer more advantageous concessions to foreign investors, including access to new economic sectors from which foreign investors had previously been excluded.

The war is expected to place a heavy burden on the Arab financial sector, following the second Gulf War, which cost the Arab countries a substantial fraction of their economic resources. It is noteworthy that the Arab banking sector has grown considerably during the past two decades, attracting deposits amounting in the aggregate to nearly $400 billion by the end of 2002, i.e. half the total Arab GDP, 60 per cent of it from the private sector. Arab banks in the eastern Arab countries have become stricter about granting new loans, and the nonperforming loan rate has climbed above 10 per cent in Egypt, Morocco and Jordan. In general, however, many Arab banks are finding themselves confronted with a noteworthy increase in liquidity, particularly in the Gulf States, partly because a good deal of Arab capital is being transferred in from elsewhere, and partly because a number of large investment projects and privatization programmes in various Arab countries are being deferred.

(g) Financial markets

Companies that participate in the reconstruction of Iraq will presumably see a rise in the value of their shares, as quoted on the stock markets of the Gulf, before long. Many companies and traders have made extensive preparations, buying land and setting up contracting and service firms in the hope of being awarded reconstruction projects. They are doomed to disappointment, of course, if the contracts on which they are counting do not materialize.

At all events, now that military operations have come to an end, investment projects that had been frozen have taken on a new lease of life, and this is propelling the growth cycle and encouraging institutions and companies to endeavour to obtain additional funding, either by issuing new shares or by floating bonds. Stock markets both in Kuwait and in Qatar turned in an excellent performance in 2002.

(h) Public debt

The region in general is expected to attract a lower level of investment than it has enjoyed in the past, and the issue of public debt may become a persistent problem facing the Arab countries. Meanwhile, population growth rates are higher than ever, bringing with them a greater need for goods and facilities.

III. The role of Arab businessmen

The difficult circumstances besetting the world as a whole, and the Arab region in particular, have come on top of the wars and rivalries that have afflicted the Arab world for more than 50 years and have clearly acted as a brake on its development. The Arab private sector undoubtedly has an important role to play alongside Arab Governments in attempting to cope with these crises and attenuate their negative effects. The General Union of Chambers of Commerce, Industry and Agriculture for Arab Countries seeks to highlight the role of the private sector in economic growth and in the common Arab economic endeavour, and to strengthen that role by working to make Arab businessmen aware of what they can do to impel the growth cycle and foster integration. These efforts may be said to have borne fruit in view of the fact that the Arab countries now display considerable interest in the private sector; indeed, that interest is now manifest at the level of the Arab Summit, which has taken official notice of the private sector and the role it is in a position to play. A number of working papers have been presented to the Council of the General Union on the role of the private sector in the implementation of the Greater Arab Free Trade Agreement (GAFTA), which is an important foundation-stone in the structure of the prospective Arab common market.

In this context, it may be of interest to note that one strategic issue which the region must address is the need to come to terms with the possibility of low oil prices, with resultant cuts in public spending. The private sector must inevitably step into the breach. As yet the benefits of this option have not been fully appreciated, despite the noteworthy performance of the Arab private sector at the international level: it has built a solid international leadership position for itself from its ample financial resources, globe-spanning trade relations and business networks. In view of the financial, managerial and intellectual capacities of the private sector, it can be used to advantage for purposes of investment and development within the Arab world, provided the necessary legislative and service framework required to stimulate its growth are made available.

Now more than at any time in the past, the importance of economic openness and the promotion of an active, competitive climate of trade is unmistakably apparent. It is essential to seek to attract direct foreign investment, which will serve to transfer expertise and skills and open up marketing opportunities. If the Arab countries are to be successful in this, they must begin by opening up to each other and thinking about merging their small, isolated, fragmented markets into a single Arab common market that would enhance investor confidence. Regional integration is the ideal road to the expansion of trade and investment, and to success in attracting direct foreign investment. The Arab countries must also address the problems of bureaucracy, contractual and legal complexity, lack of competitiveness and absence of transparency. In a word, they must opt for sound, balanced economic practices.

The development of common Arab economic interests is an effective way of resolving the economic crises to which the region is notoriously prone. This matter is of particular importance for those Arab countries whose economic relationships continue to be in a fragmented state. That situation is hindering their access to the elements of economic development, which requires trade and investment flows into Arab markets. This will not be feasible as long as their export potential is limited and yields from their foreign investments are low; they will continue to suffer the

adverse impact of the crises that have swept the world of late. The answer lies in solidarity, economic complementarity and the formation of an Arab economic bloc that will take full advantage of the region's natural and human resources and use them as a solid foundation; armed with these, the region can face the coming period with confidence. To that end, the Arab countries should devise appropriate economic policies aimed at completing the implementation of GAFTA, liberalizing trade in services, encouraging intraregional investment, upgrading Arab intraregional tourism and all existing forms of Arab trade in services, whether financial, logistic, professional or other kinds, and constructing an investment and legal environment that supports development along the above lines.

In this context, it is noteworthy that, to a considerable extent, Arab tourists have begun to replace foreign tourists visiting some Arab countries, while Arab investment is flowing into the tourist sector as foreign investment dries up. What is happening in the tourist industry may also happen in other production and service sectors that are confronted with numerous obstacles in their efforts to break into foreign markets.

Enlarged markets will enable producers to benefit from the advantages of specialization and economies of scale, thereby affording opportunities for greater productivity, enhanced competitiveness and more efficient resource distribution. The result will be a broader range of products and economic development at lower cost. The Arab countries will be concerned to encourage foreign direct investment and set up joint projects designed to achieve greater competitiveness by upgrading their technological capacities and export windows. At that point, the region will be playing an important role, not only in swelling the flow of Arab intraregional investment, but also in attracting foreign investment to the Arab countries. As far as it is possible to tell from the available data, between $100 billion and $200 billion out of a total of perhaps $600 billion in Arab capital invested in the United States has now been withdrawn from that country. This shows the importance of taking advantage of that capital by reorienting it in the direction of the Arab world. Arab financial resources have suffered heavy losses over the past three decades, from gradual erosion to being frozen into funds that did not really serve the common interests of the Arab countries. It is now essential for those resources to be harnessed for productive purposes.

As we have seen, the private sector is going to be called upon to play a leading role in the development process in the Arab countries in the future. At present, most Arab enterprises are sole proprietorships or family businesses, and as such they may not be prepared to face the challenges that are looming. It will be essential for them to transform themselves into corporations, and in due course, they should be encouraged to go in for mergers or alliances as a means of expanding their activity and penetrating new markets. The Arab countries should take advantage of modern communications networks to reach out to all parts of the world, develop domestic capital markets, create long-term lending channels, acquire marketing capacities and devote attention to product quality.

IV. Reconstruction in Iraq

Turning to the matter of addressing the economic impact of the war on Iraq, we find that to date there has been no complete assessment of the country's losses. It is clear, however, that there has been very extensive devastation, and that the cost of reconstruction will be immense. This must be borne in mind in considering what

agencies will contribute to the funding of the work of reconstruction and the rebuilding of Iraq's infrastructure in its entirety, shattered as it is from the effects of twenty years of uninterrupted war. The basic problem is Iraq's crushing burden of foreign debt. Clearly, oil earnings will not be adequate to meet the needs of reconstruction if Iraq is going to be required to continue making payments on its debt, even if it should be rescheduled.

Estimates of the total cost of the prospective reconstruction programme have varied over a range extending between $15 billion and $20 billion per year for a number of years. Adding in short-term relief requirements and the fact that Iraq's economy must be completely rebuilt, we find that the total cost may run into hundreds of billions of dollars. Earnings from oil exports—which, even in the long term, are not expected to amount to more than $40 billion a year—will not begin to cover the bill; international support for the reconstruction programme will be indispensable for some time.

We should note at this point that on 20 April 2003, at the instance of the Secretary-General of the League of Arab States, an extraordinary meeting of Arab specialized organizations was held to consider ways of supporting the Iraqi people. At that meeting, the immediate basic needs of the country's industry, agriculture, labour, education, health and other sectors were reviewed. Meanwhile, many associations and institutions have been providing the Iraqi people with a substantial flow of humanitarian assistance, much of it from Kuwait, Saudi Arabia, Jordan and the United Arab Emirates.

It is not premature to speak of the role of Arab businessmen in the reconstruction process, especially in view of the fact that they can penetrate any Arab market without having to resort to intermediaries. Arab companies undoubtedly have an important role to play in the reconstruction of Iraq, and there are sure to be opportunities for lucrative contracts, in view of their capabilities, geographic proximity and extensive relations with economic circles and facilities in the region. The Arab countries are obviously indicated as suppliers of building materials, foodstuffs and whatever the Iraqi market requires. It may prove advantageous for the various firms to form a single bloc, pooling their resources and concluding alliances, instead of working individually. In other words, if Arab firms are to play a substantial role in the reconstruction process, they will have to set up a consortium, pooling their resources for the purpose of tendering for contracts and entering into working alliances that will enable them to be more competitive in such areas as agriculture, industry, services, infrastructure and technological projects.

Regional banks and financial institutions, for their part, may secure an estimated $5-$10 billion slice of the funding requirements for reconstruction, which are expected to amount to somewhere between US$120 billion and $150 billion in all.

Concluding remarks

The terrible events that have taken place in the region constitute a major turning point for the Arab countries on various levels. Arab solidarity is perhaps the most clearly perceptible factor just now, as the region endures a severe trial that may prove fateful in the full sense of the term. It is little consolation to be told that that solidarity has itself been subjected to other storms and trials and has weathered them in the end. In the present situation, characterized by a lack of policy, the Arab

countries must concentrate on their common political interests and the importance of Arab cooperation and economic integration as central to the region's response to the dramatic changes it is currently experiencing.

The economic impact of the war has been felt in many sectors in the Arab countries, including private firms of every kind, and its effects will continue to be perceptible for some time to come. Regional integration is the best way to attenuate those effects, besides being a constructive response to the region's development problems in general. It is essential to reorient Arab economic cooperation in new directions, with the private sector assuming a growing role in development and participating to an increasing extent in economic decision-making. Its representatives will have to learn to assume that function. The private sector will endeavour to foster the pooling of the region's economic resources. It will seek to play a more far-reaching role at the national level and a more active role at the regional and international levels, and to that end will strive to acquire the skills needed to cope with the ongoing process of innovation.

As regards oil specifically, it is essentially to view this non-renewable resource in a context of awareness of the fact that conservation of this national resource and confidence in the future once it has been depleted, are in the interests of consuming countries and producing countries alike.

As regards the impact of the war on the economies of the individual Arab countries, local Chambers should approach their several Governments with clearly defined ideas for practical measures aimed at offsetting losses over the short, medium and long terms. They should also outline desirable future policy options: taxation and financial policies designed to bear lightly on damaged production sectors, an effort to identify substitute markets for products for which sales are off, support for existing export development funds and innovative trade programmes to help move goods. In addition, the United Nations should be asked to proceed with the execution of contracts on which agreement with Iraq had been reached before the war, in the context of renewal of the oil-for-food programme. Lastly, Governments should be urged to focus their attention on the task of modernizing industrial production and marketing, and to adopt legislation aimed at stimulating the economic cycle, taking appropriate measures to improve the investment climate, and using international and regional financial institutions to maximal advantage.

The challenges facing Iraq in the post-war period may be summed up as follows: how to pay off its debts, how to pay the costs of the war, and how to use its oil revenues to rebuild the country and achieve economic growth and development. Using all the oil earnings to pay off the debt and cover the costs of the war is not a viable option, because in that case the Iraqi people would be denied any chance of implementing a range of immediate economic, financial and administrative measures aimed at addressing the country's pressing problems, such as providing essential goods and services and alleviating unemployment, inflation and poverty.

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Report by the Union of Arab Investors

Extraordinary meeting of Arab specialized organizations to consider ways of supporting the Iraqi people

League of Arab States – 20 April 2003-08-08

Working paper: suggestions by the Union of Arab Investors (UAI) concerning support and assistance for Iraq

I. Difficulties characterizing the present situation in Iraq

Iraq is now under direct occupation by United States and United Kingdom forces, to say nothing of the other countries that have supported the occupation in various ways. The occupation has brought the country into a state of anarchy, with

its administration and security in disarray in the absence of any civilian authority to maintain order and ensure security and deal with the outside world.

The British have invited the countries concerned with the issue of Iraq to a conference that is to be held in London. No Arab country has been invited to date, but some Arab countries may be invited at a later stage.

It is not yet clear what form a governmental authority in Iraq is likely to take, or how much freedom of action it will be allowed to exercise. Nor is it clear who will be in charge of Iraq's trade and economic interaction and communications with the outside world.

In this connection, we may note that on 16 April 2003, the country which is currently occupying the Presidency of the European Union (Greece) issued a statement calling for participation by the international community in the task of helping the Iraqi people build their future and rejoin the international community. The statement emphasized a number of points in particular:

- A role for the United Nations in restoring self-government for the Iraqi people;
- Support from the neighbouring countries for stability in Iraq;
- It was the duty of the European Union to play a role in the political and economic reconstruction of Iraq;
- Participation by international funding institutions would be welcome.

There are two questions that remain unanswered:

1. When shall we have a Security Council resolution lifting the sanctions that have been imposed on Iraq? This will mean that Iraq is once again competent to produce and export its oil and keep the revenues accruing therefrom;

2. When will there be an authority that is legally empowered to engage in financial transactions on behalf of Iraq? This issue is specifically concerned with the right to dispose of funds that have accrued under the oil-for-food programme and future earnings from sales of oil.

It appears that the trade offices of United States embassies in the region have been approaching contracting firms and urging them to tender for reconstruction projects in Iraq as subcontractors for United States firms that are being engaged to execute contracts announced via the Internet. Some of our member firms have informed us that the United States Ambassador in person has come to visit their establishments to urge them to tender in this fashion. However, firms that have attempted to do so have not achieved any tangible results. They suspect that the time is not yet ripe.

Despite these difficulties, the UAI considers that it is important to prepare now to provide Iraq with assistance pending the establishment of an authority there that is able to accept it. The UAI supports the present initiative aimed at enlisting our organizations in the task of providing Iraq with the help it requires. We suggest that the United Nations—and such Governments and organizations as may be deemed appropriate—should be advised that Arab preparations for the support of a sister Arab country are in train. We also suggest that the possibility of making

constructive use of the UAI's status as a non-governmental organization should be borne in mind.

II. Iraq's needs

In our view, Iraq—no less than all Arab States and organizations—needs tangible Arab solidarity with its people and support for the reconstruction and future viability of their country through action aimed at:

- Alleviation of the Iraqi people's suffering as a result of the dearth of the basic necessities of life caused by the recent war and the sanctions regime that it endured for 12 years following the invasion of Kuwait;
- Support for the country's production and service sectors, which have been heavily devastated;
- In the subsequent phase, progressively greater emphasis on the conservation of growth factors and the challenge of raising standards of living.

III. Proposals by the UAI for assistance to Iraq in the immediate future

1. As an expression of solidarity with the Iraqi people, and with a view to alleviating their suffering as a result of the dearth of the basic necessities of life, the UAI proposes, as soon as the situation in Iraq permits, to call for the dispatch of a humanitarian aid and technical assistance caravan to Iraq, consisting of shipments of food items, notably milk and baby foods, and pharmaceutical and medical supplies. This caravan would be financed by means of contributions from UAI members and other Arab organizations and individuals. The UAI will also sponsor the dispatch of groups of volunteers, including doctors, teachers and technicians, to help with the rehabilitation of Iraq's hospitals and other institutions of day-to-day life.

2. In the context of the conservation of growth factors and participation in the reconstruction effort, the UAI draws attention to an important fact: despite all that we have been told about the modest nature of the joint Arab endeavour, Arab investment accounts for a larger share of all investment in the Arab countries than investment from any other source. Arabs are the largest investors in their own countries and in other Arab countries. It follows that Arab investment in Iraq is likely to be more abundant and more beneficial to that country than investment from outside. In the Arab world, what are known as the "joint Arab projects" have been initiated. There are over 850 of these projects in all, both Arab and international, and they have mustered more than $45 billion. It is important to realize that with the anticipated opening-up of the Iraqi economy, the UAI will be working in collaboration with other Arab institutions to further the effort to attract investment to Iraq, especially in view of the fact that some of the members of the UAI are Iraqi investors.

3. For the immediate future, it will be essential for the Arab economic effort in the matter of Iraq to concentrate on aspects of relations that are in our common interest. Examples include investing in agriculture and industry, supplying trained manpower, cooperating in the sectors of transport, communications and information technology, financial services, construction, and banking services. One factor that will tend to encourage this approach is the fact that Arab sectoral cooperation has produced more substantial results to date than trade as such. Illustrations of this include the following:

- The flow of Arab investment has exceeded the flow of foreign investment within the Arab world. Arab investment accounts for a larger share of all investment in the Arab countries than investment from any other source. This contrasts with the situation in the case of trade: trade with the outside world accounts for a larger share of the total than intra-Arab trade.

- Intraregional flows of individuals, including workers, organizers and tourists, have resulted in very substantial growth in trade in services among Arab countries, far exceeding growth rates for intra-Arab trade in goods, despite the fact that some 60 per cent of all trade in goods has now been liberalized, whereas the corresponding figure for trade in services is much lower. "Services", in this context, include land, sea and air transport, banking and financial services, contracting work, construction and civil engineering.

4. We regard the service sector as eminently suitable for a cooperative effort aimed at supporting Iraq. Most services involve human resource training in the Arab language, inasmuch as service delivery depends on those who provide the services in question and on human communication and mutual understanding. The Arab service sector enjoys the advantage of geographic proximity to consumers of services in Iraq, with the result that delivery costs are lower. Examples of services in which Arab investors might collaborate include the following:

- Contracting, construction and renovation: Arab contracting and building firms are capable of delivering their services at competitive cost. The ranks of the UAI's members include a number of enterprises operating in that area (e.g. the Arab Contractors Company in Egypt) that enjoy the advantage of actually being present in Iraq itself and in the surrounding countries, such as Kuwait, Qatar, Oman and Bahrain. With their trained, skilled manpower, they are well placed to operate within the region, and they have expertise at their disposal at low cost. Furthermore, they know all about supply, assembly and management operations. Many Arab firms that produce building materials are close to the Iraqi market and in a good position to supply it. Some of them (such as Ceramica Cleopatra) are actually present on the ground in Iraq, and hence can help with reconstruction operations immediately.

- Educational, consulting and data services: The ranks of Arab investors boast various producers in such areas as publishing, journalism, technical and literary products, sporting activities and television production. It would be quite feasible to supply Iraq with everything required for it to set up centres for exports of cultural products within the Arab world. UAI members that might be useful in that connection include the Bahjat Group, the Abu Ghazala Technical Consultants Group, and the Arab-African Centre for Marketing, Consultancy and Services.

- Professional services: It would be perfectly feasible to supply Iraq with all the accounting, legal and medical services it might require, in view of our shared social organization, culture, language and traditions.

- Financial and banking services: Branch banks that are active in the Iraqi market could be used to meet Iraq's needs in this area, as well as those of Arab émigré communities there. These services could be developed in various ways.

- Communications: Communications firms could apply their technological capabilities and expertise to the task of meeting Iraq's needs.

5. By way of preparing for the coming phase, the UAI will organize campaigns aimed at promoting investment in Iraq. These campaigns will be conducted in collaboration with the Iraqi investors in our membership as soon as we are able to communicate with them. This will not involve any action by Governments, as it can all be done by the Iraqi private sector, once that becomes feasible.

6. The UAI is considering sending an invitation to a group of Arab businessmen and economists who are interested in discussing the matter of the Arab economy, and specifically that of Iraq, to consider ways and means whereby the Arab private sector can contribute to the joint Arab effort and steer that effort in the direction of seeking to provide reinforcement for Iraq's ability to cope with its present situation and prepare for a phase of uninterrupted growth.

IV. Upgrading the ability of Iraq's human resources to cope with the evolving world economy (technical assistance)

Iraq needs to learn to accommodate to the systems and structures used by its partners in the outside world, and with the global economic system. Its ability to do so successfully will depend on the availability of Iraqi personnel who understand and can use the language and tools of today's economy. There is bound to be a gap between the systems and structures currently in use in Iraq and those that have evolved elsewhere in the world, owing to Iraq's lag in terms of economic progress and integration into the global market.

The UAI proposes to organize training courses and workshops for managerial personnel and trainees from Iraq, in collaboration with relevant Iraqi organizations and institutions. The training will cover various subjects, including:

- Integration into international trade and WTO agreements. International negotiating skills, including the application of those skills for Arab coordination in negotiations at the regional and international levels;
- Regional trade agreements. Joint Arab economic agreements;
- Development of Arab trade agreements, and new areas of joint Arab action;
- Arab sectoral cooperation outside the context of trade as such. Establishment of forms of cooperation and integration that are appropriate in terms of Iraq's situation, capacities and state of preparedness (examples might include industrial integration projects in the fields of engineering, textile production, food products, leather goods, software, joint scientific research and industrial development, technology and others).
- Economic reform and stimulation of development through trade liberalization.

Very truly yours,

Mohammed Gamal el-Din el-Bioumi

Appendix

Some basic statistics on Iraq*

Population:	24 million (2001)
Average life expectancy:	58.7 years
Area:	438 000 square kilometres
Illiteracy rate:	42 per cent
GDP:	$14 billion
Growth in GDP:	00.6 per cent
GDP per head of population:	$593 (1999)
Foreign indebtedness	$62.3 billion
Oil production (barrels/day)	2.36 million (2001)
Oil reserves:	122 billion barrels
Oil exports (oil-for-food programme)	$3.1 billion
Value of oil exports:	$38.6 billion
Iraq's import contracts:	$37,3 billion
Value of oil exports not made	$9.3 billion
Current account balance	$1.031 billion

**Sources:*

1. Population, foreign indebtedness and current account balance are from the Economist Intelligence Unit report for the second quarter of 2002.
2. Illiteracy and life expectancy rates: UNDP Human Development Report, 2002.
3. Petroleum sales and reserves: Report of the European Commission, April 2003.

Report by the Arab Civil Aviation Commission

The Executive Board of the Arab Civil Aviation Commission (ACAC) presents its compliments and best wishes to the Secretariat of the League of Arab States (Office of the Secretary-General).

We refer to the outcome of the extraordinary meeting of Arab specialized organizations held in Cairo on 20 April 2003 to consider assistance to the Iraqi people.

We are pleased to submit herewith some proposals and practical measures that the ACAC would be in a position to implement by way of furthering the rehabilitation of the Iraqi civil aviation system. That system was severely damaged as a result of the flight ban imposed on Iraq for nearly 13 years which seriously impaired the system's infrastructure as well as its economic, technical and social components. The recent assault on the country has made matters worse by destroying its airports and all their facilities.

In order to ensure that the proposals and assistance measures set forth in this memorandum will be practicable and feasible, the Executive Board has focussed mainly on possible support actions in the area of human resource training and qualification in Iraq's civil aviation sector, the activities of which are currently at a complete standstill.

Our views and suggestions for the rehabilitation of Iraq's civil aviation sector are as follows:

1. A task force consisting of technical experts from the Executive Board and from ACAC Member States should be established and sent to Iraq at the earliest opportunity. The function of this task force would be to participate, in collaboration and coordination with the competent Iraqi authority, in an assessment of the current condition of the country's civil aviation sector, to include a precise diagnosis of its components and identification of the essential basic needs that must be met in order for it to become operational again. Problems, difficulties and obstacles would be identified, and the entire Iraqi civil aviation system would be assessed, including its infrastructure, human resources, technical units, facilities and the like.

2. Logistic assistance could be made available for retraining and upgrading the skills of technical and managerial personnel in the Iraqi civil aviation sector. Those resources should be given priority with respect to the services available from Arab and international institutes, schools, academies and the like which have cooperation agreements with the ACAC. In the present critical situation, we shall endeavour to see to it that grants, places and free training courses offered by these institutions are awarded preferentially to Iraqi managerial and technical personnel.

3. The various components of Iraq's civil aviation sector, including air transport, aircrew and air safety, are in need of rehabilitation and should be brought into line with the international systems and standards used by the International Civil Aviation Organization (ICAO). As a first step, a safety inspection team from the ACAC should be sent to Iraq to evaluate safety conditions at Iraqi airports, while a technical team should also be sent to perform maintenance on the technical equipment and facilities used by crews and airport installations.

4. The Secretariat of the LAS should be asked to intervene with the Iranian authorities to request the return of Iraqi aircraft that have been detained in Iran since 1991; these aircraft are still airworthy and could be reregistered and put into service.

5. Coordination between the ACAC and the Arab Air Transport Union to participate in:

- Assisting Iraqi captains and technicians to become requalified and reintegrated into their professional environment in accordance with ICAO conditions and regulations;

- Providing all possible expertise and technical assistance to maintain such civil aircraft as Iraq still possesses, which for the time being constitute the nucleus of the country's fleet.

The essential problem that arises with providing assistance for Iraq, of course, is basically the issue of legality and the identity of the authority with which we would be dealing in Iraq. It is not clear what channels of communication would be suitable for purposes of an operation aimed at assisting and supporting Iraqi civil aviation.

The Executive Board wishes to reiterate that it is fully prepared to provide all possible forms of support, advice and assistance, at the Arab or international levels, with a view to rehabilitating Iraq's civil aviation and enabling it to catch up with the rapid pace of developments occurring in the field of civil aviation worldwide. We trust that Iraq will be able to overcome the difficulties currently besetting it and build a state-of-the-art, safe civil aviation system.

The Executive Board of the ACAC takes this opportunity to convey to the Secretariat of the League of Arab States the assurances of its highest consideration.

Abdel Jawad Daoudi
Director-General, Arab Civil Aviation Commission

Report by the Arab States Broadcasting Union

Proposals by the Arab States Broadcasting Union (ASBU) concerning support and assistance for the Iraqi Radio and Television Establishment

I. Programming

The ASBU is prepared to provide the Iraqi radio broadcasting service with various types of programme materials (radio drama, children's programmes, programmes on tourism, cultural programmes and so forth) which have been exchanged among Arab broadcasting services in the course of the past two years.

The ASBU is prepared to provide Iraqi television with a number of Arab television programmes of various kinds that have been exchanged among Arab television services.

The ASBU will ask its members to provide the Iraqi Radio and Television Establishment with new radio and television programmes of various kinds.

The ASBU is prepared to resume providing the Iraqi Radio and Television Establishment with all types of Arab news, programming and sports broadcasts through frequencies leased by the ASBU on ARABSAT, and to help the Establishment receive them from an engineering standpoint. (See appended schedules showing the various types of programme exchanges.)

II. Training

Persons employed in Iraqi radio and television will be encouraged to participate in basic and advanced training courses and activities organized by the ASBU Training Centre in Damascus. To facilitate this initiative, the various broadcasting authorities belonging to the ASBU will make grants available for Iraqi trainees in order to enable more of them to take courses at the Centre.

Courses and workshops will be established in Baghdad on a priority basis for the benefit of persons employed by the Iraqi Radio and Television Establishment. These courses and workshops will address basic issues to be determined by the Iraqis. The ASBU Training Centre will provide experts and trainers to give these decentralized courses.

The ASBU Training Centre, which works in close cooperation with various foreign training centres and institutions, will communicate with its opposite numbers elsewhere to discuss possibilities for assisting Iraqi radio and television services in various fields, notably training.

III. Engineering

The ASBU will supply essential data on vital equipment that will enable Iraqi television to receive television news and other programming via the ARABSAT frequencies leased by the ASBU.

The ASBU will assist its Iraqi counterparts in preparing and supplying specifications for the establishment of digital ground stations for satellite television transmission.

The ASBU will provide assistance aimed at enabling its Iraqi counterparts to benefit from its broadcast and information exchange system via VSAT, which provides the following services:

- Radio broadcasting exchanges between Arab broadcasting authorities;
- Coordinated audio conferencing between Arab radio and television authorities;
- Exchanges of data and files between radio and television authorities;
- Telephone communication between radio and television authorities.

The ASBU will develop plans and perform the necessary calculations to ensure coverage of the country by terrestrial radio and television transmission, relying for that purpose on programmes available to the ASBU, which use digital maps.

The ASBU will provide assistance and training in the distribution and allocation of Iraq's designated radio and television frequencies, in accordance with the measures and structures connected to the use of the frequencies allocated to all countries, and the registration of any additional frequencies with the ASBU, which will handle communications and anything else required for coordination with neighbouring countries.

The ASBU will provide assistance for the preparation of specifications relating to radio and television production.

Appendix 1

Times (GMT) of regular daily Arab news broadcasts transmitted in the ASBU-1 frequency range leased by the ASBU on satellite channel 17 belonging to ARABSAT

	Winter	*Summer*
ASBU NEWS –1	10 :15 - 10:45	11 :00 - 11:30
Daily summary devoted to the struggle of the Palestinian people	13 :45 - 13:55	13 :45 - 13:55
ASBU NEWS –2	15:00 - 15:30	15 :45 - 16:15
ASBU NEWS –3	18:15 - 18:45	18 :15 - 18:45

Appendix 2

Times of weekly news, sports and economic affairs broadcasts transmitted in the ASBU-1 frequency range leased by the ASBU on satellite channel 17 belonging to ARABSAT

Broadcast	*Day*	*Summer*	*Winter*
Sports I	Saturday	12:00 - 13:00	12:00 - 13:00
Economic affairs	Saturday	14:00 - 14:30	13:00 - 13:30
Sports II	Monday	12:00 - 12:30	12:00 - 12:30

Appendix 3

Times of miscellaneous weekly and monthly broadcasts transmitted in the ASBU-1 frequency range leased by the ASBU on satellite channel 17 belonging to ARABSAT

Broadcast	*Day*	*Summer*	*Winter*
Cultural highlights	Sunday	14:00 - 14:30	13:00 - 13:30
Arab evening programme	Wednesday	12:00 - 13:00	12:00 - 13:00
Monthly illustrated song programme	Last Wednesday of every month	17:15 - 17:45	16:45 - 17:15
Monthly miscellany of programmes and intermissions	Last Tuesday of every month	14:00 - 14:30	13:00 - 13:30
Know your country	To be announced		
Annual documentary programme	To be announced		

Report by the Arab General Insurance Union

Position of the Arab General Insurance Union (AGIU) on support for the insurance sector in Iraq

Insurance in its various forms and subcategories is no novelty to Iraq, as the Iraqi insurance market has a history extending back over more than a century and a half.

The Iraqi insurance market boasts a number of experts in all fields of insurance who are of regional or even international calibre. These persons have contributed and continue to contribute to the development of many Arab insurance markets.

Iraqi insurance laws and regulations include many provisions dealing with the organization of the insurance market, but there is no separate statute that explicitly organizes the operations of insurance companies as such. The Superintendent of Insurance, an official with the Ministry of Finance, is responsible for overseeing and monitoring Iraqi insurance companies.

I. Structure of the Iraqi insurance market

1. Three public insurance companies:

- National Insurance Company – public company. Founded in 1950. Provides all types of general insurance coverage, including both types of life insurance, individual and group.
- Iraqi Public Insurance Company. Founded in 1959. Provides all forms of general insurance, life insurance and reinsurance coverage.
- Iraqi Reinsurance Company. Founded in 1960. Engages in all forms of reinsurance operations in the local, Arab and international markets; a professional reinsurance company.

In 1997, Law No. 22/1997 was promulgated, whereby State-owned insurance companies were converted to self-financing companies.

These companies are members of the AGIU.

2. Private companies

Under Law No. 21/1997, which authorized the founding of private insurance companies, and Directive No. 12/1999, which regulated their method of operation, a number of private insurance companies were founded, as follows:

- Al-Ahliya Insurance Company
- Dar-es-Salaam Insurance Company
- Al-Amin Insurance Company
- Al-Hamra' Insurance Company

These companies opened for business in 2001. They provide all forms of insurance and reinsurance coverage.

Three of these companies have applied for membership of the AGIU, while the fourth has not.

II. The sanctions regime had a seriously adverse impact on the insurance sector, and more particularly the reinsurance sector, because Iraq was economically isolated from the rest of the world, and most reinsurers withdrew from the agreements into which they had entered over a period of decades. Furthermore, since optional reinsurance operations were at a standstill, Iraqi insurance companies had to settle for accepting domestic insurance work only, insofar as possible.

III. At the Arab regional level, the Iraqi Reinsurance Company is a member of the Arab Reinsurance Group, which has kept all its reinsurance agreements with the Iraq insurance market in effect unchanged.

IV. With respect to ownership rights in Iraqi insurance companies, we consider that substantial changes may be in store in the light of privatization policies and given the present and likely future situation.

V. We are fully confident that the Iraqi insurance market, with its wealth of expert resources, will be able to survive its current time of trial. However, it is clear that some support would be useful, and in that connection the Board of Directors of the AGIU has plans to meet with a representative of the Iraqi insurance market at its next meeting. The AGIU is prepared to provide assistance and technical expertise by way of supporting all Arab insurance markets in the following areas:

1. Restructuring and reorganization of the market, drawing upon the expert resources of insurance regulatory and monitoring bodies in the Arab countries, and working through the Standing Arab Insurance Oversight Committee;

2. Supplying such technical and administrative personnel as the market may require;

3. Preparing training programmes for insurance company staff members in accordance with those companies' needs as determined by themselves;

4. Modernization of insurance products in the Iraqi market, drawing upon the accumulated expertise of the technical committees operating in the context of the AGIU Secretariat;

5. Making training opportunities available at specialized insurance institutes in Arab countries;

6. Reinsuring by turning the capacities of Arab reinsurance companies to account in the context of the Standing Committee of Arab Reinsurers;

7. Participation in all conferences and seminars organized by the AGIU free of charge.

In conclusion, we hope that the above suggestions will serve to strengthen the Iraqi insurance sector and help it regain its former leading role in the service of the Arab insurance industry.

(Signed) Abdul Khalik **Raouf Khalil**
Secretary General
Arab General Insurance Union

Cairo, 27 April 2003